Daily Report

Latin America

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Cuba

Castro Meets With Delegation of U.S. Personalities

FL0805112893 Havana Radio Progreso Network in Spanish 0900 GMT 8 May 93

[Excerpt] At the Council of State building, Commander in Chief Fidel Castro met with the delegation of U.S. personalities headed by Ramsey Clark, the former U.S. attorney general. The delegation arrived in Cuba 4 May with a $75,000 donation of medicine for hospitals and other public health centers. [passage omitted]

During the fraternal meeting with Fidel, the members of the International Peace for Cuba Movement expressed their solidarity toward Cuba and the efforts being made against the criminal U.S. blockade. A broad exchange of opinions took place regarding the Cuban situation and other subjects such as medicine, literature, Indian reservations in the United States, and maladies endured by peoples in different parts of the world.

Castro Visits Hospitals To Check on Optic Neuritis Patients

FL1005003293 Havana Tele Rebelde and Cuba Vision Networks in Spanish 1700 GMT 9 May 93

[Interview with President Fidel Castro by unidentified reporter in Santiago de Cuba 8 May—recorded]

[Text] During the afternoon of 8 May, Commander in Chief Fidel Castro Ruz visited two hospitals in Santiago de Cuba to check on the condition of patients affected by the optic neuropathy. Fidel arrived at 1700 at the Saturnino Lora Hospital. There, he talked at length with people affected by the epidemic, some of whom are health care workers. Upon exiting the hospital, Fidel held his first meeting with the press.

[Begin recording] [Reporter] There is a lot of speculation in Cuba and despite the trust the people truly have in our health system, I believe it would be opportune to have your opinion on this illness and the trust the people should have.

[Castro] I am, like the doctors and the research centers, following everything very closely, gathering all the information and making the greatest effort we can with the information we have.

[Reporter] Recently, Cuba asked the international community for help. What has been the response? What does Cuba expect?

[Castro] Well, we have also asked for help from the Pan-American Health Organization and the WHO, international organizations dedicated to these activities to support the effort we are making. We expect cooperation in the scientific sphere and also cooperation with medicine. We have to conduct thorough research before we can say the final word about all of this. We cannot say the final word yet. We have to continue studying all the possible causes of this illness, which is what we are doing. I knew that here in Santiago de Cuba, the illness is more acute than in other provinces, which is why we sent a team of doctors and scientists to carefully examine all the cases. We wanted to make a trip here, visit the hospital, and speak with the patients. I have also been told of improving conditions as the treatment is improving in a noticeable manner. I have talked with many patients and they are responding to the treatment. Of course, we are trying to perfect treatments because this illness behaves in an anomalous manner. It is not described in books. We are decisively and strongly confronting it. We are keeping a close tab on everything without wasting a single minute or second. The best minds in the country are working on this.

Of course, I believe that what has been published on this issue is correct. We cannot issue unfounded theories; each theory has to be substantiated by research. We are confronting the illness and have the positive result that the patients are responding to treatment.

[Reporter] Thank you very much commander. Are you continuing your trip?

[Castro] Yes, I am going to visit other hospitals. I want to know as much as possible how this entity—as the doctors call it here in Santiago de Cuba—is evolving. [end recording]

Fidel is being accompanied by Esteban Lazo, the first secretary of the Communist Party of Cuba in the province, and Public Health Minister Julio Tejas. Next, they proceeded to the new general hospital in Santiago de Cuba. They toured the sections allocated to treat the different clinical manifestations of this illness, inquired about the health of the patients, their progress, and the care received. The group also met with Santiago de Cuba doctors. Afterward, Fidel again talked with the press.

[Begin recording] [Castro] I wanted to come here because I knew that in Santiago de Cuba, which was one of the last provinces affected, the illness had certain particular, peculiar characteristics. We wanted to come personally. We have sent doctors. We have paid the greatest attention to the situation in Santiago de Cuba. There are certain differences here. There are fewer cases of polyneuritis....[pauses] more polyneuritis and fewer optic neuritis cases.

We are also studying its possible origins but this will take time. The best prepared, best trained people in Cuba are studying this, you could say, are committed to this. They are studying the different theories we have mentioned in the media: what factors have an influence, if there are factors that have more influence than others, or if it is the result of several factors.

This topic has to be carefully analyzed to avoid venturing unfounded theories. Everything has to be studied, all the cases, all the patients. An infinity of....[pauses] A great diversity of treatments is being tried. They are

using ozone gas, hyperbolic chambers, steroids, and magnetic therapy in addition to vitamins. Different procedures are being studied to find out which have the best result in terms of treatment. They are thoroughly studying the causes; from biological causes, to nutritional and toxic causes. They are being studied very carefully. The characteristics of this illness are different from those in the books. It is anomalous. It is strange.

[Reporter] That is what is perhaps so disconcerting.

[Castro] Well, it is unlike the cases in the books. It has symptoms that might make it seem like something else, but in this epidemic form and with these characteristics, it is not known, which was mentioned in Geneva before the WHO, of which we asked for support.

We are not going to be happy with our efforts alone and the effort of our research centers, and the many trained people we have. We have also asked for the help of the international community in research as well as in the treatment of this illness to find out if this is a new type of illness. We have not been abel to identify this, based on the professional experience.

[Reporter] Maybe we can make an effort and it will serve to prevent this from happening in other countries.

[Castro] I believe the effort we are making has to help many other countries. But I do not want to put forth theories because it is under study and in this sector, each field, biology, toxicity, each field wants to find an explanation within their field. The work being conducted is very serious and very organized. The most positive part is the response to treatments.

I was amazed today at the number of patients that had improved within three, four, or five days. I found out that many patients are out today and the condition of many patients improves significantly in four or five days. We also have to see now if we are experiencing a phenomenon of hyperdiagnosis. We are also searching for cases. We are not waiting for the patient to come to the hospital. Family doctors and the whole health system are looking for patients.

The symptoms are very different. I have talked with dozens of patients today. I have asked of their symptoms, how it first started. Some experienced cramps in a leg; others experienced different effects. Yet, others experienced dizziness. The questions I asked the patients showed me that the symptoms are different. Every time a symptom appears, they treat it.

[Reporter] Commander, but anyway Cuba is facing this epidemic under better conditions than the dengue epidemic?

[Castro] Well, we have a system....[pauses] Look at this very hospital we are visiting today. An entirely new 1,000-bed hospital and living conditions of the [words indistinct]. There are more doctors and more experience, but dengue was a well known illness, although it had certain strange characteristics. The appearance of dengue was very strange because at the time there were no dengue epidemics anywhere else. It was a tremendous battle but the fight now is harder. It is harder to pinpoint, even harder to diagnose because of all its different manifestations. We are seeing, however, a reduction in the number of optic manifestations and an increase in peripheral manifestations.

We have daily data on every province, case, and hospital. All the hospitals are working and making observations and research. The effort here in Santiago de Cuba is also very interesting. Medical personnel are making a heroic effort. They are also studying and evaluating....[pauses] There were 11 treatments and now there are about 14. We are interested in both things, to prevent, diagnose, know the causes well, and fight the illness, which are the four factors.

The entire program of vitamin production was carried out in record time. Vitamins are always a useful tool. They are not harmful in case of a toxic presence, even in case of a viral presence. All this is being studied but we should not say this. It is not right. It is not prudent to release unfounded information and theories. We have to be very careful with all of this. This is being carried out in a very serious manner.

[Reporter] In the same manner that the people have a lot of trust in the effort being carried out by the Revolution, trust in the specialists.

[Castro] This effort is greater than the effort made with the dengue epidemic; it is much greater. Fortunately, it does not affect children. The average age is between 25 and 64 years although there are some cases under 25 and some over 64. But this whole thing is being studied. It started with a number of cases. In the beginning it was a battle waged by public health, by the Vice Ministry of Epidemiology. As soon as we became aware of its size, magnitude, and characteristics, we brought in all the resources, research centers, and hospitals to work on this. It is being said that this is the greatest effort Cuba is making. The entire pharmaceutical industry is dedicated to this in addition to our medicine production capacity. We have been producing from 20 to 30 million vitamin pills a day. In truly record time, all the raw materials were gathered and this preventive treatment was implemented.

[Reporter] At least here in Santiago de Cuba we are seeing that it gets to every citizen through the family doctors.

[Castro] The family doctors and the health system in general. Here, we have also seen the role of doctors. This illness is a bit disconcerting. We have to handle it, however, with great calm, serenity, to avoid excessive and unfounded fears, to avoid a psychological effect. Anyone with a manifestation of any kind—a pain in a leg or the like—might have a tendency to feel sick. We are also perfecting the diagnosis methods using equipment developed by us. Electronic equipment to measure [words indistinct]. [end recording]

Remarks on Controls

FL1005021993 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 10 May 93

[Interview with President Fidel Castro by unidentified reporters in Santiago de Cuba on 9 May—recorded]

[Text] [Reporter] Commander in Chief Fidel Castro Ruz this afternoon visited the Ambrosio Grillo Hospital in El Cobre, 20 km from Santiago de Cuba. Thus, he continued his tour of several Santiago de Cuba Province hospitals he began on 8 May. The goal was to learn about the progress of the patients affected by the epidemic neuropathy. In each place, Fidel urged the people to have faith and the response was positive.

Esteban Lazo, first secretary of the Communist Party of Cuba in Santiago de Cuba Province, and Public Health Minister Julio Tejas also participated in the tour. Fidel, besides wishing the quick recovery of the patients, recalled that today is a special day and wished the Cuban women happiness.

[Castro] A lot of happiness for all Cuban women. [applause]

[Reporter] Later, while speaking with the press, Fidel was emphatic in his response.

[Reporter] Commander, can we talk about some control of the epidemic in the country?

[Castro] Well, that depends on what you mean by control. The situation is under control. The epidemic is in full bloom. It is developing and there are certain symptoms, like the occurrence of optic neuritis, or an increase of peripheral cases and other indications.

[Reporter] We can say that the battle against the epidemic is in full force.

[Castro] The battle is in full force with all the force and energy [words indistinct].

[Reporter] Which province in the country was the most affected?

[Castro] Well, it began in Pinar del Rio Province. The western provinces were the ones most affected. All this began there. I have already said that it took many months to reach the eastern provinces. But it affected some provinces less than others. There are some provinces less affected but they have the same rate more or less. Of course, those that were affected first are the ones that have more cases.

[Reporter] The patients have a lot of optimism that they can overcome this situation, especially those who are suffering the epidemic.

[Castro] One can see a good attitude, optimism, contentment, satisfaction with the treatment and attention they are receiving, which I have been able to see. I visited three hospitals and in the three hospitals that had in-patients, I must have spoken with 200 or more than 200 patients.

[Reporter] Castro also responded to other topics of interest:

[Reporter] Commander, I am interested in something that is perhaps a little off the subject but as a result of the national disturbance that occurred, I think it would be interesting to hear your opinion about the following. Does the recent accident of an important cargo of tires at Havana Port affect in some way the conclusion of the sugar harvest in these very decisive times?

[Castro] It affects the agricultural and sugar harvest activities since a number of tires were destroyed. It was important and painful. Because it was a significant blow at a time when we are making the efforts we are making in agriculture and the sugar harvest. But the sugar harvest is being affected more right now by this rainy season. It is an exceptionally rainy period. No one remembers a period like this. When you fly over the eastern part of the country, it is usually very dry at this time of the year. Everything is green and the reservoirs here, around Santiago de Cuba, are full. When for how many weeks, we could say months, Santiago de Cuba had a big headache with water. We are building canals and we will continue building them, searching for solutions and we will continue searching for solutions for when another drought occurs.

But the rains have brought a great deal of water. If they only could have come a little later, like in June, July, or August. It has been raining throughout the dry period. This not only hinders all the cutting and transportation work of the cane but it also considerably reduces the sugarcane yields. It affects the preparation of land. It affects all the activities. Yesterday was a very rainy day. Today is also rainy. The weather in Santiago de Cuba has changed but the incessant rains have damaged the sugarcane the most.

Of course, the loss of all these tires was painful, very painful. They were cart and tractor tires. This affects things in some ways but mainly they were the reserves that you also need for other activities, planting and cultivating the sugarcane. In this sense, the loss is significant.

[Reporter] Despite the difficult situation of the country, we get a feeling of enthusiasm from you.

[Castro] I have always had a good disposition to deal with problems and difficulties, rather than enthusiasm. I have a good disposition, serenity, calmness, which we should all have in the face of difficult circumstances.

[Reporter] This is contagious.

[Castro] I hope so, but I also get it from the people, whom I see working, struggling. I do not just project it but I also receive it from everyone, even the patients. It

encourages me when I see them content and happy, joking around. I also joke and talk with them.

[Reporter] I have heard you say have confidence several times today.

[Castro] Yes, I told them to have confidence because the great majority gets better but to some, who are taking longer, I told to have confidence. They are going to get better. But in general, what one hears, when you talk to each one is that they are getting better. I have also asked about symptoms. They began with some symptoms, such as cramps in their feet and basically all that. Of course there are different symptoms. I have seen different types during the visits to the Saturnino Lora Hospital and the new General Hospital.

We are lucky to have finished such a hospital with a great capacity. I say this at this hospital and I have seen different symptoms and overall there is a favorable evolution.

[Reporter] Therefore, with this contagious enthusiasm, we will see you on 26 July for the 40th anniversary of the assault on the Moncada Barracks here in Santiago de Cuba.

[Castro] It is not enthusiasm, rather a good disposition. I am not enthused about the epidemic, but I am enthused with the people's fighting spirit against the epidemic.

[Reporter] We will wait for you here in Santiago de Cuba for the 40th anniversary with your enthusiasm, which is contagious.

[Castro] This historical date corresponds to Santiago de Cuba by right, but besides the right, for tradition, for tradition. [repeats] The celebration is held every five years here in Santiago de Cuba but they have earned it in every way.

[Reporter] Then we will wait for you on 26 July. [end recording]

Medical Fair To Exhibit Equipment, Products in China

FL1005161993 Havana Radio Rebelde Network in Spanish 0900 GMT 10 May 93

[Text] Pedro Alvarez, Cuban foreign trade vice minister, has said that a fair on Cuban medical equipment and products will be inaugurated on 11 May in Chengdu, the capital of the Chinese province of Sichuan. Alvarez said the exhibition will show Chinese businessmen and scientists products such as interferon, digital encephalograms, PPG pills to fight cholesterol, Hepatitis B vaccine, and the embryonic growth factor.

Alvarez, who is with a delegation of Cuban businessmen and scientists, said that his group will hold meetings in Beijing with Chinese corporations to establish reciprocal cooperation in areas such as oil, mining, tires, nickel, light industry, steel works, and fertilizers. Regarding tariff privileges, Alvarez added that Cuba will offer Chinese enterprises conditions equal to, or perhaps better than, those it offers to any Latin American investor. Alvarez said that China could occupy an important place among investors in Cuba, especially in the medical field.

Health Situation in Relation to WHO Annual Assembly Viewed

PA1005025493 Havana Radio Havana Cuba in Spanish 0000 GMT 9 May 93

[Roberto Morejon commentary]

[Text] Information disclosed at the WHO Annual Assembly in Geneva highlights how economic factors increasingly widen the gap that separates rich and poor countries regarding health. The information also confirmed that the health situation in Cuba is considered to be at the same level as in developed countries.

Although it is true that the U.S. blockade against Cuba is a colossal human rights violation to the island's residents and that the latter are suffering serious consequences due to the fall of the Socialist world, Cubans have not seen their social benefits vanish.

While in 1998 the world life expectancy level will be at 65 years, based on a progression rate of four months for every 365 days, Cuba reached that expectancy level a good while back as its citizens have an average life expectancy of 75 years.

Another WHO report indicates that malaria—a disease that is avoidable and curable—threatens more than 40 percent of the world population and kills between 1.5 million and 3 million people every year. Cubans, of course, are exempt from this tragic situation.

While the WHO warns that for the first time in this century cholera has revived and acquired pandemic proportions in Latin America, Cuban health authorities have announced that everything is prepared to deal with the disease's possible penetration of the island, although this has not yet happened.

The WHO also maintains that vaccination and improved child care campaigns are priorities. These premises have been heeded in Cuba for over 30 years, to the point where its infant mortality rate of 10.2 deaths for every 1,000 live births places the island among the top 20 countries. It can be added that the rate of survival to age 5 in Cuba is 98 percent and that from birth a Cuban child is treated by a doctor who may see him up to 20 times during his first 12 months of life and who orders the application of vaccines to protect him against 10 diseases.

Right To Decide Own Destiny Viewed

FL1005193793 Havana Radio Rebelde Network in Spanish 1700 GMT 10 May 93

[Text] Today's TRABAJADORES newspaper has an article in it by reporter Lazaro Barredo entitled: Cuba Does Not Beg. It is directed at those who try to discredit the character of the constant expressions of solidarity with our country.

Barredo writes that this new expression of disdain and underestimation of the Cuban national dignity is noteworthy in that there appears to be among the campaign promoters a dispute for the right to censure. The article discounts any substantial differences between the so-called liberal counterrevolution and the position of the right wing.

The peculiar idea of a beggar state is a fiction that is too extravagant and does not support the most elementary reasoning. What people could survive the brutality of a superpower's harassment if it did not lift itself but depended on the sweat of others? Barredo adds that solidarity has been like oxygen to the Cuban people but above all it is in fact the expression of a moral significance, not just a material result. This help has been an encouraging force in our struggle to resist, especially when it seemed that the tide of opportunism, demoralization, and disorder would cover and destroy it all. These gestures have vehemently shown that Cuba is not alone.

Barredo adds that this help has been more than just symbolic and is an altruistic answer, given the country's situation and the disaster that affected us in March. The thwarted ones say that they are worried about the situation but at the same time they favor maintaining and strengthening the blockade. Even more shameful is that they blame the Cuban Government for the current economic difficulties and of using the blockade as an excuse.

Barredo reiterates that our social reality is attributed to the uncertainty of external factors, especially since the U.S. criminal blockade has caused a drastic reduction of economic activity. Also remember that the enemies of the revolution target the food, tourism, health, pharmaceutical, and biotechnical programs, besides trying to distort or discredit the idea for the development of joint enterprises.

We have not lost the organizational ability to react to all the difficulties without social traumas or political destabilization. We are working to perfect our system and we have prioritized the idea and the path that will allow us to overcome the current situation. They will never be able to accuse a people like this one of not being noble. What is completely true is that Cuba will not kneel, Cuba will not beg, and Cuba will not give up its right to decide its own destiny.

Inter-Caribbean Affairs

Caricom Foreign Ministers Discuss Central America, Haiti, Cuba

FL1005211793 Bridgetown CANA in English 2000 GMT 10 May 93

[Report by Richard Simon]

[Text] St. George's, Grenada, May 10, CANA—The 13-nation Caribbean Community (Caricom) on Monday expressed a desire for closer co-operation with the countries of Central America but said a dispute over the sale of bananas in the European Community represented an obstacle. Caricom's position on relations with Central America were spelt out by Grenada's Prime Minister Nicholas Brathwaite in a speech as he assumed the chairmanship of the standing committee of foreign ministers which began a two day meeting here.

"We are concerned that the efforts of the dollar producing countries (Central America) to put us out of the European market.... could seriously undermine our efforts to achieve closer collaboration," Brathwaite said.

The dispute is related to new European arrangements for the sale of bananas in the single market effective July. The arrangements continue the traditional protection for Caribbean bananas which is opposed by the Central Americans who want free trade. Brathwaite, Grenada's foreign minister, said Central American states should be aware of the implications of a loss of the European banana market for Caribbean banana exporting countries which earn substantial foreign exchange from this source.

"We have argued before that the issue is not merely free trade but fair trade," he said.

The Windward Islands—Grenada, St. Vincent and the Grenadines, Dominica, and St. Lucia—contend a free trade regime for bananas would be represent a severe blow to their economies as it would knock them out of the market because they wouldn't be able to compete with the Central Americans.

Brathwaite, touching an agenda item for the meeting, underscored benefits to be derived from Caricom countries pursuing joint overseas diplomatic representation.

"The merits of pooling our resources have become clear and conspicuous in an international environment that is becoming increasingly insensitive to the concerns of small states," he said.

Brathwaite expressed Grenada's support for a proposed Association of Caribbean States (ACS) that seeks to bring other Caribbean countries into the process of economic integration and cooperation currently limited to the 13 English-speaking members of Caricom. He said common challenges facing the Caribbean should lead Caricom member states to "submerge our individual

national interests and deepen our relationship" in a bid to strengthen the region's bargaining power.

The meeting will also discuss the situation in Haiti and the status of Caricom efforts to reinstate exiled President Jean-Bertrand Aristide who has been out of power since his overthrow in a 1991 military coup. Bahamian delegate Algernon Allen, in a speech to the opening of the meeting, called for closer collaboration between Caricom and Cuba.

"You can't talk about regional stability while the largest of our Caribbean neighbours remains isolated," he said.

"There are many mutual benefits to be derived from a closer relationship between Caricom and Cuba." He said the inclusion of Cuba would lead to the strengthening of regional co-operation.

Antigua and Barbuda

Weekly Airline Service From Gatwick Inaugurated

FL0705180793 Bridgetown CANA in English 1634 GMT 7 May 93

[Text] St. John's, Antigua, May 7, CANA—The airline Caledonian, for the first time, is flying from Gatwick to Antigua and Barbuda.

Tourism Minister Dr. Rodney Williams welcomed the airline on its inaugural flight here this week.

The once-weekly service will run to October. Caledonian's DC10 aircraft has a seating capacity of 350.

The service is in addition to Air Tours' which has a charter operation over the same period to complement that offered by British Airways and BWIA on the same route.

Dr Williams said he was pleased by the increased interest shown by tourists in vacationing in Antigua and Barbuda. He said that Europeans have found a destination where they can experience a fun-filled tropical vacation.

The minister reported that tourist arrivals from the United Kingdom to Antigua and Barbuda between January and March 1993 had increased 32 per cent over the same period in 1992. He said that overall tourist arrivals for 1993 had increased over the same period for 1992.

The minister said the scheduled carriers were having very high load factors and that the coming summer tourist season was looking good.

Dominica

'Heavy' Rain Damages Roads, Other Infrastructure

FL1005184093 Bridgetown CANA in English 1700 GMT 10 May 93

[Text] Roseau, Dominica, May 10, CANA—Heavy rain in Dominica over the weekend has caused damage to roads and other infrastructure in excess of one million EC dollars according to initial estimates, Communications and Works Minister Alleyne Carbon said.

Landslides resulting from the rain occurred Saturday [8 May] in at least two communities in the eastern and southern parts of the island. There were also reports of flooding in low-lying areas and of rivers bursting their banks.

A few young men were lucky to get out of a house in the inland village of Pichelin, south of here, moments before it was struck and severely damaged by a landslide.

Residents of the southern village of Grandbay were reported having difficulty travelling to the capital Roseau because of severe damage to the main Pichelin road.

"We have total erosion of the road and the road base has disappeared completely in one area," Carbon told CANA.

The rain also caused disruption to electricity, water and telephone services.

Guyana

Government Reaffirms Call for Sanctions Against Haiti

FL0805000093 Bridgetown CANA in English 2139 GMT 7 May 93

[Text] Georgetown, Guyana, May 7, CANA—Guyana Foreign Affairs Minister Clement Rohee Friday said his government was re-affirming its call for economic and other sanctions against the military-backed authorities in Haiti and believed "certain governments" should stop paying "lip-service" over the politically-troubled Caribbean island.

"Unless certain Western countries take this issue seriously as they did in respect to other countries where democracy was derailed, then I am afraid the Caribbean Community [Caricom] countries would probably have to stop hiding behind rhetoric and simply begin to call a spade a spade," Rohee said.

Speaking at a news conference Friday, Rohee said his ministry and the Guyana Government were monitoring the unfolding events on the French-speaking island and supported restoration of democratically-elected President Jean Bertrand Aristide.

Rohee, who said Caricom's position on Haiti was a "strong one," told reporters the government supported the regional stand against Haiti. The foreign minister's comments followed a statement by Caricom Secretary General Dr. Edwin Carrington last monthend.

Dr. Carrington said the region viewed with "very grave concern" the continuing failure to find a definitive solution to the country's political crisis and stressed Caricom should intensify regional and international efforts to speed up progress to remove, "this continuing blemish from the democratic fabric of the region."

"The Caribbean Community considers the new situation as posing a heightened threat to the region and reiterates its call to the illegal regime in Haiti to relinquish its illegal usurpation of power and to adopt a position of flexibility and compromise which is the only guaranteed route to a peaceful and lasting solution," he said.

Rohee said Guyana was still awaiting a large ship to ferry 10,000 bags of rice to disaster-hit regions of Cuba following a tornado over a month ago which left about 200,000 homeless and several dead.

"We have the rice mobilised and we are also seeking to procure some timber," Rohee told reporters. He said government was ready to send the aid once a ship which he said is "doing the rounds" in collecting aid arrived in Port Georgetown.

Asked about Guyana's future approach to relations with Havana Rohee said the administration was adopting the "collective approach" of the region.

"Guyana's position is a Caricom position.... That is to say the Caricom's position is to maintain relations with Cuba and to encourage Cuba to have more trade and other forms of relationships with the Caricom countries," the foreign minister said.

Haiti

Cedras Said To Consider Aristide's Return To Power As 'Unconstitutional'

FL1005125993 Port-au-Prince Radio Metropole in French 1600 GMT 7 May 93

[Text] General Cedras considers Jean-Bertrand Aristide's possible return to power as unconstitutional. The commander in chief made statements on the political crisis to the Mexican newspaper EL SOL. The general allegedly told the daily that the majority of the population does not support Aristide. Let us listen to details with Rothschild Francois, Jr.

[Begin recording] Jean-Bertrand Aristide's return to Haiti is unconstitutional. Gen. Raoul Cedras made his statements to the Mexican newspaper EL SOL. The Army commander in chief said that Father Aristide violated the Constitution on several occasions during his Presidency. In this interview, Cedras explained that the great majority of the population no longer wants to hear about Aristide. He also said that numerous institutions have come out against Aristide's government and consider Aristide their main enemy. In this interview with the Mexican newpaper, Cedras said that Aristide was democratically elected but, once in power, did not respect the rules of the democratic game.

The chief of the Army holds Aristide responsible for the [7 January 1991] fire at the apostolic nunciature in Port-au-Prince. He also reproached the deposed president with attacking the Catholic Church.

Furthermore, Cedras positively said that there were no political prisoners in the country. On the other hand, he denounced the ousted president's attitude in the matter. Cedras said that Aristide persecuted citizens who did not share his opinions and had them arrested to undergo necklacing.

Cedras denounced, as well, the fact that President Aristide receives $900,000 every month from the United States and that he owns an agency that promotes disinformation on the real situation of the country. These are the statements made by the commander in chief of the Haitian Army to the Mexican newspaper EL SOL this week. [end recording]

Bazin Denounces Corruption, Renews Call for Reconciliation

FL1005182393 Port-au-Prince Radio Metropole in French 1045 GMT 10 May 93

[Text] The prime minister of the consensus government on 8 May was touring in Saint-Michel de L'Attalaye, more specifically in Artibonite Department. Marc Bazin was participating in the feast of the patron saint of this town. In this connection, the head of the consensus government stated that he wanted to attack corruption while denouncing the embargo. The prime minister also renewed his call for reconciliation among Haitians. Rothschild Francois filed a report:

[Begin recording] [Francois] Wearing once more the appropriate garb as a participant on Saturday [8 May] in Saint-Michel de L'Attalaye, Prime Minister Bazin is reiterating his call to Haitians to unify to face the crisis. The head of the consensus government insists on the necessity for Haitians to help each other in this grave moment. Speaking on 8 May in Saint-Michel de L'Attalaye, Marc Bazin said that he was pessimistic in view of the failure of the talks recently begun to solve the crisis. While hoping for resumption of these talks, the prime minister denounced the intransigence shown by sectors he did not name.

The head of the government also criticized the behavior of certain members of the international community in the crisis. This community, according to him, is trying to divide us through actions guaranteeing its own interests. The prime minister invites all the country's democrats

today in conflict to go beyond their personal ambitions in order to find a solution to the crisis.

Addressing the population of Saint-Michel de L'Attalaye, the prime minister said he was aware of the problems that the region was facing. Bazin said, however, that his government, despite his good will, was hampered in its action by the situation brought about by the embargo. The prime minister also declared war against corruption by denouncing those who are profiting from the embargo. The head of the government also takes on the observers, who are trying to denounce human rights violations without concern for the Haitians who are hit by the misery in the country, according to him.

[Bazin, in Creole] The embargo is something that one hears about but does not know the nature of until one feels it. From now on, not only are are there many goods you can not find, not only are there many goods that are not affordable when you do find them, but also there are people who are traveling throughout the country to monitor human rights. They are paid $ 6,000 a month and never go to the hospitals, never go to the schools, never give a street kid two gourdes when they see the child dying of hunger, as if those are not the sorts of human rights that they are monitoring in Haiti. [applause].

I said a while ago that prices were high. If a man owns a boat that must basically cross half the world to reach Haiti, we all know that he will take the opportunity to jack up prices. However, it is not just that that is driving up prices. The other thing making goods more expensive—and we must have courage to see it—is corruption. Some are taking advantage of the country's misfortune, under an embargo, to make more and more money. No one has the right, morally nor humanely, to take advantage of the distress the country is facing today. Because the government is tired of seeing dishonest Haitians making money dishonestly, it has decided seriously to attack this matter of those who just continue their business by buying licenses, selling licenses, buying exemptions from customs duties, and selling exemptions.

[Francois] It should be noted that Prime Minister Bazin's trip to Saint-Michel de L'Attalaye is the second one made in the provinces in less than eight days after the Jacmel trip on 1 May on the occasion of Labor Day. [end recording]

Twenty New UN/OAS Observers Scheduled To Arrive

FL1005203393 Port-au-Prince Signal FM Radio in Creole 1130 GMT 10 May 93

[Text] According to an announcement by Colin Granderson, 20 new observers were scheduled to arrive over the weekend to assist approximately 110 UN/OAS observers who are already in the country. The observers are spread out in the nine geographic departments of the country to monitor human rights.

Granderson has announced that the UN/OAS civilian mission has begun a new stage in its work in Haiti. Granderson, who is the executive director of the mission following the departure of (Michael Moeller), has advised that the first phase, which was a preparatory phase, the phase during which the mission was headed by Mr. (Michael Moeller) with the cooperation of a team from the UN body, has reached an end. According to Granderson's statements to the Haitian press, their work will not change. They will continue implementing the same methods. They will have observers in the nine departments of the country.

Granderson has announced that more money will be invested so the work can continue properly. In this sense, Granderson has announced that a small group of observers will arrive in the country every two weeks. According to what the UN/OAS executive director said, we will have 250 observers spread throughout the country in approximately five to six weeks.

Fifth Session of 45th Legislature Due To Close 10 May

FL1005205293 Port-au-Prince Radio Metropole in French 1600 GMT 10 May 93

[Text] Today, legislators are due to close the fifth session of the 45th legislature. This session was marked by the vote on the budget of the Republic and the adoption of a series of laws, especially on a new import list to facilitate the identification and taxation of automobiles and their licensing. The fifth session exposed a serious internal battle within the parliament and was basically rejected by senators and deputies of the opposition. Those legislators, who contested the formation of a new office at the Senate and at the lower chamber, also refused to sit next to those elected in the partial elections on 18 January 1993. This session, which Senate President Thomas Eddy Dupiton announced the official closing for 10 May, was marked by confrontation and clashes among the senators of the two political blocs that make up the Senate.

Jamaica

Labor Party Renews Call for Election Inquiry

FL1005231993 Bridgetown CANA in English 2148 GMT 10 May 93

[Text] Kingston, Jamaica, May 10, CANA—The opposition Jamaica Labour Party (JLP) has renewed its call for the setting up of a commission of enquiry into the controversial 30 March elections which it lost by 52 seats to eight. In a statement, JLP leader Edward Seaga warned that a stalemate in reforming the electoral system and restructuring the administration of the police force, could result in "deepening political instability, economic stagnation, withdrawal of investment, and the breakdown of civil order." For those reasons, Seaga said, "a

commission of enquiry should be established to discover the problems in order to determine the solutions."

The opposition leader also renewed his assault on the police and the electoral office for their "role" in the irregularities that marred the election. The JLP has not attended Parliament since the election and has refused to appoint senators in order to reinforce its demands, which include the replacement of the police service commission by an "independent" body in order to eliminate any suspicion of political bias in the police high command. The commission which oversees appointments and promotions in the police force is currently appointed by the governor general on the recommendation of the government.

The latest JLP statement was issued even as Prime Minister Percival Patterson again urged consensus between the political parties on electoral reform. Addressing manufacturers at an awards function on the weekend, Patterson said his government was hesitant to effect electoral reform until the JLP participates in the process and there is a national consensus on the solutions. Patterson, however, has repeatedly rejected the JLP's demands for a commission of enquiry, describing it as unnecessary since a previous enquiry in the 1980's had detailed the problems and recommended solutions.

Regarding the police service commission, the prime minister has pointed out that the current structure is entrenched in the Jamaican Constitution, and could only be changed with the presence of JLp senators in Parliament.

In urging the setting up of another enquiry, Seaga ridiculed current efforts by the electoral office to investigate the numerous incidents of administrative foul-ups, thuggery, and fraud during the election.

"The electoral office cannot investigate itself as it is attempting to do. Caesar cannot appeal to Caesar," said Seaga. The JLP leader accused the electoral office and the police of distorting the electoral process on 30 March. Investigations by the JLP had shown that the "police as an instrument of political intimidation was.... effective in determining the outcome of many seats...." The extent of police involvement was such that "it can be concluded that activist elements in the police force can conspire with the political directorate to swing any future election in Jamaica," Seaga said.

Turning to the inadequacies of the electoral office, Seaga charged that "no single voters list was produced" by the electoral office and that the electoral process became dependent on numerous additional lists, some of which were "not delivered at all." He pointed to cases of non-delivery of ballot boxes and polling stations remaining closed among the many problems which haunted the electoral process on 30 March.

Regarding the JLP's decision to boycott Parliament, Seaga denied suggestions that his party had presented the government with an ultimatum.

"The government is free to act as it pleases, and the opposition to take its own course. We have selected the only course which can ensure that this matter is kept in the forefront of public attention...," Seaga said.

Failure to reform the electoral process and police administration would "provoke fears of instability, capital flight, withdrawal of investment, economic stagnation, and rampant unemployment as happened in Guyana over a period of 20 years. To say nothing of the deterioration of public order and escalation in crime to which Jamaica is already prone," Seaga said.

Patterson told manufacturers on the weekend that "practical and sensible solutions are within our grasp but it would cause further divisiveness rather than promote unity if government was to try to impose our answers in the absence of bi-partisan agreement and national consensus." He again regretted the failure of the opposition leader to respond to an invitation to meet and discuss electoral reform.

"My commitment to free and fair elections does not rest on whether or not it will affect the investment climate. I have always believed that the right of the government to determine national policy must be based on the will of the people—fairly and freely expressed," said Patterson.

'Heavy' Rains Create 'Havoc' With Agricultural Sector

FL0705182193 Bridgetown CANA in English 1753 GMT 7 May 93

[Text] Kingston, Jamaica, May 7, CANA—In addition to displacing scores of persons and leaving hundreds marooned at the eastern end of the island, heavy rain over Jamaica in recent weeks have created havoc with the agricultural sector.

The JAMAICA HERALD newspaper reported Friday that an estimated 2.5 million pounds (sterling) in export earnings may have been lost following the failure to reap hundreds of thousands of pounds of bananas due to heavy rain in the eastern parish of Portland, in particular.

Jamaica earns more than US40 million dollars annually from banana exports, to Britain mainly.

Agriculture Minister Seymour Mullings says losses in domestic agriculture caused by the floods in eastern Jamaica and "hailstorms" in central Jamaica had surpassed 21 million Jamaican dollars (one Jamaica dollar equals US4.5 cents).

Prime Minister Percival Patterson, meanwhile, is to receive a comprehensive report Friday on the flood damage as well as the progress of efforts by disaster agencies to relieve the misery of thousands in Portland and the tourist resort town of Montego Bay which was flooded out Wednesday.

The HERALD reported agricultural experts as saying the tally of bananas missing the export ships could reach 600,000 pounds by the time all assessments are in. Actual damage to banana plantations is being preliminarily estimated at about 5 million Jamaican dollars.

The Banana Export Company (BECO) says over the past three weeks it has been exporting more than two hundred tonnes below target because of the difficulty in getting the fruit from the fields.

BECO is currently exporting 1400 tonnes of fruit weekly but "assuming that all things were equal and that everything was going right I expect that at this time we would be shipping between 1600 and 1700 tonnes of bananas weekly," Finance Director Hopeton Barrett told CANA.

Mullings said the flood rains were endangering the government's target of a 15 percent increase in domestic food production over last year's 507,000 tonnes.

Mullings said the rains in the eastern end of the island had set back food production by 19 million dollars while recent hailstorms in the central parish of Manchester had caused more than two million dollars in damage to yam and potato crops.

Trinidad and Tobago

Manning Announces Measures To Ease Effects of Currency Floating

FL0705213693 Bridgetown CANA in English 2010 GMT 7 May 93

[Text] Port-of-Spain, Trinidad, May 7, CANA—Trinidad and Tobago's Prime Minister Patrick Manning announced seven measures on Thursday night [6 May] aimed at easing the burden on lower income groups affected by the floating of the country's currency. The Trinidad and Tobago dollar was floated 13 April as part of a series of measures aimed at liberalising the exchange control regime. The dollar subsequently depreciated in value against the American dollar, moving from TT4.25 dollars to 1 U.S. dollars to the current rate of 5.77 dollars to the U.S. dollar.

Manning in a televised address said the school feeding programme would be increased both in numbers at the primary schools and also by a reintroduction of the programme in junior secondary secondary schools after a six-year absence. The programme will, in September, cater for between 75 and 80,000 students, up 22,000 from the current 58,000. The prime minister said government was proposing to maximise the local content of the meals to stimulate the domestic agricultural sector.

Old age pensioners will receive a 15 per cent increase on the food allowance component of their monthly cheques. Out of their monthly cheque of 347 dollars, 61 is allocated for food allowance. This now becomes 70.15 dollars from June 1, 1993. The prime minister said there were approximately 100,000 old age pensioners and recipients of social assistance.

Manning said customs duties would be reduced from 15 per cent to 5 per cent on a number of prescription drugs, specifically antibiotics and prescribed drugs for diabetics and heart patients. This, he said was subject to the approval of the Caricom (Caribbean Community) council of ministers. Manning said an additional allocation of 3 million dollars would be made to the Ministry of Health to purchase essential drugs for all public health institutions.

There will also be income tax relief from 1 July for taxpayers whose annual income does not exceed 16,000 dollars. This will now make 22,000 people virtually exempt from income tax.

The newly-launched national apprenticeship programme received an additional 5 million dollars moving its allocation to 35 million dollars and ensuring the initial year of operation would target 6,000 instead of 5,000 youths between age 18 and 25.

A new social programme, Social Help And Rehabilitative Efforts (SHARE), was announced on Thursday night to provide short term relief for the needy through distribution of 4,000 food hampers daily. The programme will also identify and provide opportunities for training, re-training and business to make recipients employable.

Manning said while the floating would bring advantages in the long term, government recognised there would be difficulties in the short term, particularly with regard to higher prices.

"For the past three weeks, we have observed at first hand some of the difficulties being experienced by some sections of the national community as a consequence of the floating of the currency.... Government has therefore decided to implement several measures which will serve to mitigate some of the negative effects—measures which, while not removing, will serve to lighten the burden, giving you that breathing space until the positive results of the new currency regime begin to take effect," Manning said.

Manning promised government would continue to monitor the situation with respect to higher prices and intervene if necessary. "We shall continue to monitor the situation and to intervene positively and on your behalf as and when our resources permit," he said.

"Increased prices, especially in respect of certain basic items, impact on all of us, but more particularly on the unemployed, lower income groups, and those on small fixed incomes, for example, pensioners and recipients of social assistance," the prime minister remarked.

Costa Rica

China To Continue To Promote Cooperation Projects

PA0705224493 San Jose Radio Reloj in Spanish 0100 GMT 7 May 93

[Text] The Republic of China will continue to promote significant cooperation projects in different areas, Taiwanese Deputy Foreign Minister Chin-yen Fang said. He informed President Rafael Angel Calderon Fournier of the decision during a meeting at the Presidential Palace during a visit by Deputy Foreign Minister Chin-yen Fang to our country.

The Taiwanese deputy foreign minister termed his meeting with President Calderon as productive and beneficial, adding that his visit reaffirms the excellent relations that exist between both countries.

One of the objectives of the visit by Chin-yen Fang to Costa Rica was to preside over the fourth regional meeting of Taiwanese ambassadors in Central America on 8 May. Taiwanese ambassadors to Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica, Panama, and Mexico will review the work that they are carrying out and the status of their relations with the neighboring countries.

The Taiwanese deputy foreign minister will travel to the Bahamas on the morning of 9 May, where he will preside over a meeting of Taiwanese ambassadors in Caribbean countries.

El Salvador

Party Representatives Discuss Electoral Tribunal

PA0805034093 San Salvador Canal Doce Television in Spanish 0300 GMT 8 May 93

[Text] Representatives of all political parties, who make up the Interparty Commission, met on 7 May to discuss cooperation that political institutions could provide to the Supreme Electoral Tribunal [TSE] to correct the shortcomings of the country's electoral system. The parties showed their intentions to hold the next electoral event under the best conditions possible when they decided to meet and seek consensus mechanisms that can accelerate the drafting of the current electoral lists.

[Begin unidentified speaker recording] We are concerned about the many flaws in the electoral lists, especially because people are not being registered. The TSE recently conducted a multimillion-dollar campaign. We have made great expenditures, but only a few identification cards have been issued. Approximately only 2,147 identification cards have been issued each month, which is terrible, dramatic. [end recording]

Until now, knowledgeable persons have stated that at least 700,000 people do not have their electoral identification cards and that is why a massive campaign to issue cards that can resolve these difficulties is in order.

[Begin unidentified speaker recording] What we really need to do is to go out on the streets. The TSE people should stop waving flies away at the mayors' offices. These offices are visited by no one, except flies. Let us go to the Social Security hospitals, outpatient waiting rooms, stadiums, ministries, and universities to register the people and give them their identification cards. [end recording]

Certain political parties have made proposals aimed at contributing to the current voter registration process. In this regard, the reunification of the Interparty Commission could contribute to this goal so that the electoral identification card problem can be solved.

Social Democratic Party Nominates Presidential Candidate

PA0805145893 San Salvador Radio Cadena YSU in Spanish 1800 GMT 7 May 93

[Report by Balmore Parada]

[Text] The Social Democratic Party [PSD], one of the three parties that make up the Democratic Convergence [CD] coalition, on 7 May officially nominated Ruben Zamora as the three parties' presidential candidate for the forthcoming elections.

PSD Secretary General Carlos Diaz Barrera has confirmed that Dr. Zamora will represent CD at the 1994 presidential elections.

Ruben Zamora has declared that his group is prepared to form a coalition with the country's social democratic and leftist forces. He said that he will respect each party's decision.

[Begin Zamora recording] We believe all the parties have the right to hold internal debates and the right to see that other people will not interfere in their internal discussions. We have also acknowledged the right of the Christian Democrats to choose their candidate. We do not have to interfere in this discussion. This also applies to the Farabundo Marti National Liberation Front [FMLN]. CD maintains its position. We are in favor of an alliance with the social forces and with the FMLN in the first round of elections. For the second round, we want an understanding with the Christian Democratic Party and other parties or forces that may want to grow so that we may secure the presidency of the Republic. [end recording]

The political strategy of the CD to go to the first election round in a coalition arises from the fact that, according to Zamora, in order to win a majority in the Legislative Assembly, two lists of candidates are necessary.

[Begin Zamora recording] This is how the rightist gentlemen have a majority in the Assembly. They participated with a list from the Nationalist Republican Alliance [Arena] and another list from the National Conciliation Party [PCN]. The PCN contains enough deputies to give Arena the majority that alone it would not have.

For us it is essential to win not only the presidency, but also a Legislative Assembly majority with the alternative forces of the future that we represent. This is why I believe that during the first round it is important to make progress in the presidential elections, as well as win a congressional majority. To achieve this goal, we must have two lists. [end recording]

Dr. Ruben Zamora also commented on his government program's main points. He emphasized the economic field.

[Begin Zamora recording] The first priority is to introduce in our country a new concept of political power. Political power has always been used to exclude people. Now political power must serve to promote agreements among all the Salvadorans, so that we may all participate. This is what can be called democracy in El Salvador.

The second priority is at the economic level. I think it is necessary to initiate a transition from an economy that serves to concentrate wealth in a few hands, to an economy capable of producing wealth, as well as distributing wealth among Salvadorans so that the number of poor and very poor people will decrease instead of grow. [end recording]

According to Zamora, CD will not reject support offers for the coalition and its candidates from other political parties. He urged all the leftist political forces to face next year's elections as a cohesive bloc.

Defense Minister Says Appointing Civilian to Post 'Untimely, Improper'

PA0705225493 San Salvador Radio Cadena YSU in Spanish 1800 GMT 7 May 93

[Text] Defense Minister General Rene Emilio Ponce says it would be untimely and improper to appoint a civilian to his post upon his departure in June. General Ponce, who placed his Defense Ministry post at the disposal of the president of the Republic one day before the publication of the Truth Commission report, which implicates him in multiple human rights violations and which also demands his dismissal, did not specify what public activity he will engage in upon retiring from military service.

[Begin recording] [Ponce] I do not believe it would be advantageous—and I already said this to the president—to appoint a civilian as defense minister. A military person should be appointed because the military are familiar with the Armed Forces' inner workings and they are knowledgeable of military arts and science. It would be untimely and improper to appoint a civilian.

[Unidentified reporter] [question indistinct]

[Ponce] That is what the government has pledged and it will be done.

[Reporter] Gen. Emilio Ponce, who do you believe should be appointed defense minister?

[Ponce] You will be informed in due time.

[Reporter] [question indistinct]

[Ponce] That is a decision the president of the Republic must make. He will make the announcement.

[Reporter] What does the future hold for Gen. Rene Emilio Ponce once he leaves the Defense Ministry?

[Ponce] I have a family and I am indebted to them for the support they have offered me. [passage indistinct]

[Reporter] [words indistinct] used exclusively by the Armed Forces.

[Ponce] The Armed Forces are not the only sector that had hand grenades. Some have been found at Armed Forces stores but you must remember that the Farabundo Marti National Liberation Front, FMLN, also had all sorts of weapons. Some of them, for example, were Russian-made but their effect was the same and they did the same damage. I do believe there should be greater control to prevent the continued smuggling of these types of devices which have done so much harm to Salvadoran society.

[Reporter] [question indistinct]

[Ponce] We are making every effort to control the situation and I can assure you that none of these weapons have come out of the military units.

[Reporter] Have you asked the FMLN to collect its weapons?

[Ponce] I cannot assert that the FMLN has only distributed grenades. The FMLN has a large quantity of weapons such as rifles and so forth, which have not been collected, destroyed, or presented to the United Nations. Moreover, the disintegration of the urban commandos was not included in the peace agreements and these groups remain intact. There is always the threat of action by these dissident FMLN groups.

[Reporter] What process is used to collect weapons?

[Ponce] Regarding weapons used exclusively by the Armed Forces, we are coordinating with the National Police to find out which companies have supplied the Army and [words indistinct] to collect them, and we will present the weapons we collect to the United Nations. [end recording]

The FMLN recently said that the government has done a poor job of collecting weapons used exclusively by the Armed Forces.

General Ponce spoke with reporters during an event marking Armed Forces Day, which coincides with the 169th anniversary of the founding of the Armed Forces.

Guatemala

TSE Confirms MAS Victory in 9 May Municipal Elections

PA1005221893 Panama City ACAN in Spanish 2056 GMT 10 May 93

[All numbers as received]

[Text] Guatemala City, 10 May (ACAN-EFE)—The Supreme Electoral Tribunal (TSE) confirmed on 10 May the victory of the ruling Solidarity Action Movement (MAS) in the municipal elections held 9 May in 276 of the 330 municipalities of Guatemala. It was observed that 60 percent of the people abstained.

TSE President Arturo Herbruger announced at a news conference that the MAS had won in 99 of 267 municipalities counted thus far, which represents 97 percent of the posts for election, most of them in rural areas that are supposedly influenced by the guerrillas.

Some 60 percent of the 1.5 million people eligible to vote in these partial elections abstained.

Herbruger explained that the elections in the municipality of San Miguel Uspantan in the northern department of Quiche were annulled because the ballots were destroyed by unidentified persons.

Finance Ministry Discloses Increase in Total Debt

PA0805141293 Guatemala City SIGLO VEINTIUNO in Spanish 6 May 93 p 5

[Report by Juan Carlos Ruiz Calderon]

[Text] According to information disclosed by the Finance Ministry, the country's total debt increased to $2.1 billion.

This total debt, however, includes Finance Ministry debt, Bank of Guatemalan debt, and other public sector debt.

The Finance Ministry debt amounts to $834.49 million; the Bank of Guatemela debt amounts to $610.21 million, and debt owed by other public sector institutions to diverse agencies amounts to $663.12 million.

In addition, total debt can be categorized according to source or origin. Therefore, the country's bilateral debt, those resources granted as loans by various governments, totals $905.51 million.

Multilateral debt, loans incurred by the government with the various international credit organizations, such as the Inter-American Development Bank, IMF, and the World Bank, among others, amounts to $1.0 billion.

Regarding debt with commercial banks, Guatemala has obligations totaling $19.93 million, in addition to $170.42 million in other commercial contracts.

During the current year, the government has scheduled several payments on its external debt service.

According to the Finance Ministry repayment schedule, there are plans to repay $232.97 million in principal, $104.23 million in interest, and $1.69 million in commissions, totaling $338.89 million.

This repayment schedule may vary depending on the negotiations Guatemala intends to carry out within the framework of the Paris Club.

After concluding the Paris Club negotiations, Guatemala may bilaterally renegotiate $404.8 million of its total debt.

This amount is distributed as follows: Debt with Canada, $10.34 million; with France, $38.64 million; with Germany, $16.05 million; and with Spain, $339.15 million.

Payments related to loans subject to renegotiation will not be carried out until bilateral negotiations have concluded. Taking this fact into account, payments scheduled during the current year will be as follows: Principal, $217.23 million; interest, $101.04 million; and commissions $1.69 million; totaling $318.27 million [number as published].

According to figures published by the Bank of Guatemala, the country's total exports to other Central American nations during 1992 amounted to $395.4 million, as opposed to $239.7 million in imports, which resulted in a favorable trade balance of $155.7 million.

Another issue that could possibly influence the country's external debt, as well as the funds to be repayed regarding the debt, lies with the Enterprise for the Americas Initiative program proposed by former President George Bush.

This program offers additional assistance in cutting Latin American and Caribbean outstanding debt, as well as the debt service, by providing more incentives for investment reforms, in addition to a more flexible base for growth.

To participate in the program, the interested country must propose legislation that will allow a substantial reduction and restructuring of U.S. loans.

On the other hand, the United States will act on a case-by-case basis with those countries that decide to adopt strict economic reform programs in coordination with the IMF and the World Bank, or by completing debt reduction programs with the commercial banks.

At first glance participation in this U.S. initiative could be productive as it allows a reduction in a countries' outstanding debt and its debt service program.

The impact could extend to a 30 or 50 percent cut in the bilateral debt with the United States. Everything depends, however, on the limits established by the U.S. Government.

According to the Finance Ministry, steps toward procuring Guatemala's participation in the program have been directed at ensuring compliance with required conditions.

It was disclosed that after completing an agreement with the IMF and concluding negotiations with the Paris Club, Guatemala will then be in a position to make a formal proposal to participate in the initiative.

Based on figures released by the Finance Ministry, the Enterprise for the Americas Initiative will have significant impact on the economy.

According to these figures, current outstanding balance of the PL-480 program [not further identified] totals $131.50 million, added to the $173.20 million outstanding balance of AID loans, results in a total amount of $304.70 million.

To this amount, Guatemala would then have to deduct an estimated 30 percent, that is $91.41 million, which would result in the country's new outstanding balance of $213.29 million.

First Councilman Alvarado Shot in Left Eye, Killed 8 May

PA0905214893 Guatemala City PRENSA LIBRE in Spanish 9 May 93 p 2

[Text] Mr. Juan Antonio Alvarado Mendoza, 36, a candidate for mayor of San Cristobal Acasaguastlan, El Progreso, for the Democratic Socialist Party [PSD], was shot in the left eye and killed on 8 May.

Mr. Carlos Castaneda, who is listed as first councilman, reported Alvarado Mendoza was at the home of Oswaldo Chinchilla, his brother- in-law, and had a political argument with an agricultural expert known as Maco Chin, who after running out of verbal recourses, took a .22-caliber pistol from its holster, shot Mendoza, and fled.

PSD leader Aracely Conde de Paiz stated sorrowfully that the PSD totally rejects violent actions like the one that took place in the case of Alvarado Mendoza because it considers rational and democratic means as the proper forum for expressing one's opinion. Furthermore, the PSD requests that the police undertake an exhaustive investigation into the case and deliver the person responsible to the proper authorities.

Honduras

Foreign Relations Secretariat Denies Responsibility in PRC Case

PA1005234393 Tegucigalpa EL HERALDO in Spanish 10 May 93 p 49

[Press Communique No. 0010-93 from the Information and Press Directorate of the Foreign Relations Secretariat issued in Tegucigalpa on 7 May]

[Text] PRESS COMMUNIQUE NO. 0010-93

The Foreign Relations Secretariat refers to a newspaper report disseminated by certain media in the country concerning the case of 237 illegal PRC aliens aboard the fishing boat Mermaid No. 1, which was flying the Honduran flag, and states the following to the local and international community:

1. The Honduran Government has no responsibility whatsover in the case because the fishing boat, Mermaid No. 1, was illegally used in an operation for which it was not intended. As a result of a criminal action, which included the Korean crew's participation and the complicity of a PRC Navy ship, 237 illegal PRC aliens were transferred aboard the Mermaid No. 1 while in PRC territorial waters so they could be brought to U.S. coasts for their clandestine arrival into the United States.

2. The illegal aliens are PRC citizens and they never acquired Honduran nationality. Referring to this issue, the Republic of Honduras is not dutybound to receive citizens who flee a country with which it does not have diplomatic relations. Nevertheless, for humanitarian reasons, which are traditional in our country, the Honduran Government is considering the idea of participating in the operation for the illegal aliens' repatriation to their country of origin, or their transfer to a third country. [signed] Tegucigalpa, 7 May 1993.
Information and Press Directorate
Foreign Relations Secretariat

Correction to Armed Forces Chief Gives Labor Day Message

PA0605211593

The following correction pertains to the item headlined "Armed Forces Chief Gives Labor Day Message" published in the Latin America DAILY REPORT, 6 May, page 21:

Column two, paragraph eight, only sentence, make read: ....precisely to guarantee the people's security, individually and.... (rewording for clarity)

Paragraph nine, first sentence, make read: ....and professional organizations, which voice the people's demands, have had and....(rewording for clarity)

Nicaragua

Foreign Minister, D. Ortega Hold News Conference on Dialogue

PA0805021993 Managua Radio Sandino in Spanish 1830 GMT 6 May 93

[News conference by Foreign Minister Ernesto Leal and Daniel Ortega, Sandinist National Liberation Front, FSLN, secretary general, with unidentified reporters at the Presidential Building in Managua—live]

[Excerpts] [Ortega] The Sandinist National Liberation Front (FSLN) has presented a document we call an FSLN proposal for a solution to the national crisis. The proposal contains very specific points dealing with the economic and social situation. We have included in the document a point we regard as very important for the country's future, the initiatives to be taken regarding natural resources and the environment. Another proposal is to take immediate action to reinforce the country's institutionality.

We stress the need for an immediate amendment of the Constitution to abolish the Patriotic Military Service by eliminating Article 96 and to hold regional and municipal elections next year in the northern and southern Atlantic region. We have also proposed the immediate approval of an autonomy law for the Atlantic coast region, approval of the Sandinist People's Army's [EPS] basic law, approval of the names of the observers to the Central American Parliament, and establishment of a date for the election of delegates to the Central American Parliament. We also propose the drafting of a labor code, a final property ownership law, and a bill dealing with a human rights ombudsman, all of which are to be approved at the National Assembly. In addition, there is a need for a concerted effort by all Nicaraguans with the United States and the international community and organizations to avoid their cooperation imposing political terms on internal affairs, which must be settled by Nicaraguans.

On this previous point, a letter that Lee Hamilton, Democratic Party representative, sent to the U.S. secretary of state is well-known. In the letter, Hamilton says onerous adjustments should not be imposed on Nicaragua and that, quite to the contrary, a flexible economic policy by international organizations should be approved. In addition, the U.S. aid for Nicaragua should not be conditioned to its internal situation, as it has been. These problems should be settled by the Nicaraguan people themselves.

The agenda we presented to the government includes economic, social, and other elements dealing with strengthening the country's institutionalization. We think Nicaragua's main political problem is an economic and social one, which is linked to credit, which in turn is linked to employment and production. Therefore, regarding the present crop season and the large areas devoted to production in several departments, we have insisted that the government take immediate action to save the crop cycle, reactivate the economy, and create jobs. In addition, we support a policy of nonviolence in order to face the serious economic and social crisis that affects the Nicaraguan people.

We believe the fact that the principal political and labor unions of the country have participated in this first phase of the national dialogue shows Nicaraguans that dialogue continues to be an indispensable tool to find the solutions to Nicaragua's problems. A large part of the people are confident, and rightfully so, about the results of the dialogue. In fact, I think this will be a test of the goodwill of all Nicaraguans who head labor unions and political forces. Through their actions, more so than through their words, they will show that they are ready to contribute to save the country and to give a response to the serious socioeconomic situation that has caused desperation among broad sectors of the Nicaraguan people.

[Foreign Minister Ernesto Leal] Thank you. We are concluding the first round of the national dialogue on 6 May. We have concluded our discussions with the FSLN. We believe that the national dialogue that was just completed with the FSLN has been a virtual success. We have found that we share positions and topics with the FSLN. During the meetings with the different forces of the country, we have found serious and responsible proposals. We have found that we share views on some topics. It is to such topics, obviously, that we will dedicate the efforts of the government and of the country. The topic of the agricultural season was submitted by the FSLN and also by other organizations. We think the government should devote serious study to such topics.

The president has called us to a cabinet meeting on the afternoon of 6 May to make an evaluation of the first round and of all those topics on which we share views. It will be decided what will be done to begin discussing those topics in which the different sectors of the nation share views. [passage omitted]

[Reporter] Commander Daniel Ortega, you said this morning that part of the Sandinist platform is to prioritize the economic and social aspects. I would like to know if there is an agreement with the government to resolve these demands by the people? I would also like to hear your opinion regarding President Violeta Chamorro's proposal for the president of the Higher Council of Private Enterprise [Cosep] to take the post of comptroller general.

[Ortega] Regarding the platform we are presenting here today, we must keep in mind that it is the result of exchange. We did not come here to find an answer to these questions, but to present our proposals, and hope that the government is receptive and listens to these proposals, analyzes and assess them, and responds positively to that which they believe to be positive in the package and what they see as negative, they will logically

respond negatively. We have covered the presentation the FSLN's points of view, we have discussed some of the issues, clarified them, and we think this has been a very enriching dialogue. About the proposal President Chamorro made to Cosep President Ramiro Gurdian, I think the government is free to offer a government post to whoever it feels appropriate. That is the government's responsibility. I would call on Mr. Guardian and the Cosep to approach the national dialogue with a constructive attitude, so we may progress, especially where we are in agreement. Where there is no consensus, we must continue to talk. What is important for us is not to give the Nicaraguan people a bad signal, but to act with responsibility toward the Nicaraguan people.

[Reporter] My question is for Commander Daniel Ortega and for Foreign Minister Ernesto Leal. This morning, leaders of the Atlantic coast communities, including Deputies Ray Hooker and [name indistinct] complained that they had been excluded from the national dialogue. They said the government does not consider the Atlantic coast to be part of Nicaragua except when exploiting natural resources.

[Ortega] In our document, we presented to the government a very specific point on the Atlantic coast. The point proposes immediate actions to meet the Atlantic coast's basic demands. In dealing with taking immediate actions to reinforce the country's institutionality, we spoke of the need to draft a regulation for the Atlantic coast's autonomy. The Atlantic coast is always on the government's agenda. Commander Ortega has already made a statement, in the name of the FSLN, on the Atlantic coast. The fact, however, that the Atlantic coast does not participate in this first round of talks does not mean the importance of this area is diminished or enhanced. The Atlantic coast is part of Nicaragua and is represented by the social groups and the government. Since this area is part of Nicaragua, it also participates in the solutions the Nicaraguan people have found.

[Reporter] What is the FSLN's criteria with regard to the proposals presented by the UNO [National Opposition Union], Cosep, and other sectors to the government in which, in some cases, direct reference is made to the FSLN?

[Ortega] We respect all the proposals that might be presented. This is not only a right but it is the obligation of every association, every sector, every union to present proposals that it may consider more convenient for the nation. Our appeal to all those who have participated in this first round of the National Dialogue is.... [pauses] that is, the appeal we would particularly make to the UNO leaders and to the Cosep leaders is for them to act in a democratic manner. We speak so much about democracy, about strengthening democracy in this country, the least we can do in this dialogue, in this round, is to act with a democratic spirit. What does this mean? [words indistinct] conditions, the dialogue process has established positions, rather that it be open to all proposals.

I believe it would be democratic to accept the positions where there is consensus. For example, on the socioeconomic issue, it would be democratic for all the forces that have participated in the dialogue to accept that there is consensus on this issue. If there is no consensus on some points set out by the UNO or the Cosep leadership, then they have to accept that no consensus was reached on certain issues. I am making reference to the Legislative Assembly, the Supreme Court of Justice, the seeking of government positions. They have a right to a government post, they have a right to seek a government. But if there is no consensus on this, they have to accept there is no consensus on these points. In any case if they want a government job they can continue to wait for it but this should not be included as part of as important a dialogue process as this. This dialogue is over and above the attempt to obtain a government position. The Nicaraguan people's well-being is at stake here.

I am talking about physical safety in zones where armed conflicts prevail and the safety of thousands of unemployed Nicaraguans, who feel insecure because they lack food and a job. The same goes for the producers, who feel insecure because they have problems getting credit. Many proposals have been presented and we continue to insist on this issue. That is what we have to say.

[Reporter] Mr. Foreign Minister, this round of talks has just concluded. When can we expect some specific results? What will the next step be? Will you announce another meeting? When will this occur?

[Leal] This is obviously a good question. The first round of talks concluded on 6 May and we are looking for a consensus rather than divergences. In other words, we are now concentrating on issues that are constantly brought up by different groups in our society, and we will work on those issues. If the Nicaraguans concentrate on divergences we cannot reach an agreement but if we first.... [pauses] I do not mean we will discard issues on which all the groups fail to reach a consensus. They will surely be discussed but we will first discuss issues which all the groups have brought up—until we will reach a consensus.

We know that the groups represented in this dialogue agree on different issues—for example, there is practically a consensus on the proposals for an economic reactivation and the creation of jobs. Hence, we believe we are duty bound to dedicate the necessary time to solve these problems. I said earlier we can expect positive results either at the end of the day or on 7 May. The president of the Republic has summoned us for a meeting this evening to evaluate the proposals submitted by the different political parties, labor unions, business organizations, the private sector, and so on. Yes?

[Reporter] Does this mean the government will give priority to economic issues rather than political issues?

[Leal] We will give priority to issues on which there is a consensus. Is that clear? If we all agree that the land

ownership problem is the nation's problem then we will give priority to the topics on which all the nation's groups reach a consensus.

[Reporter] Commander Ortega, you have given priority to the economic matters, but are you willing to negotiate the political aspects?

[Ortega] We do not believe negotiation is the right choice of word because people are demanding jobs, food, and basic things and producers are demanding credits. We think we cannot negotiate things that are so basic. We have to talk about those matters. We have to hold a dialogue to find agreements on socioeconomic matters.

In regard to other matters, we are also willing to discuss and we even have points on which we believe all sectors agree. For example, the 10 points we have mentioned and that refer to the strengthening of the country's institutions. I believe the Cosep and UNO would agree with our proposal for the immediate constitutional reforms to abolish patriotic military service by eliminating Article 96. So what are we waiting for to further this initiative? The immediate constitutional reforms to hold regional and municipal elections in the northern and southern Atlantic regions. The immediate approval of the regulations.... [pauses] We have a number of moot points and, therefore, it could perfectly be done.

We have a very important point there, on which we should all coincide—the Cosep, the UNO, the government, and the unions FNT [National Workers Front], UNAG [National Union of Farmers and Cattlemen], and CPT [Permanent Workers' Congress]. This point establishes the need for concerted action by all Nicaraguans—in light of efforts by the United States, the international community, and the international organizations—so that cooperation does not impose political conditions regarding internal affairs which, in any case, should be decided by Nicaraguans.

[Reporter] Commander Ortega, on 5 May the finance minister said it is impossible to be flexible regarding the government's economic policies. Being objective and concrete, how could a consensus be attained, while what you are proposing is a number of transformations to the economic policy aimed at attaining a flexible policy?

[Ortega] I believe the finance minister has the right to state his point of view regarding the economic policy. But, we must bear in mind the fact that this round of talks of the National Dialogue had not yet ended on 5 May. It will only be on the afternoon of 6 May, as announced here by Foreign Minister Leal, that the government cabinet, headed by the president, will meet. And that is where they will decide on this and, then, take the steps corresponding what they have found among the different proposals made between 3 and 6 May.

Therefore, I believe we should wait a while for the official statement from the government.

[Reporter] Commander Ortega, could you comment on the proposal made by the FNT, regarding a salary increase? Do you agree with that proposal from the FNT while the government has flatly denied that possibility as it would reactivate inflation?

[Ortega] I insist on saying that, all these points that were proposed—even if there have been some reactions from government officials—have not yet received their final word. Supposedly, for the government to fix its positions on the topics that have been brought up in the dialogue, the round of talks must be completed. The round of talks will end on 6 May and, on the afternoon of 6 May, the cabinet will meet with the president. Therefore, we will have to wait a little.

[Reporters] The other sectors have made a number of political proposals. You have made social and economic proposals only. Taking these proposals into consideration, would you consider some alternative solutions to the political crisis? For instance, they speak of the National Assembly's directorate, the Supreme Court of Justice, positions in the cabinet. Would you debate political issues in the dialogue?

[Ortega] We have made economic and social proposals, which deal with ecology and the environment, as well as political proposals, on which there should be a consensus, such as the one on the list we mentioned earlier, to start this initiative. I wish to underline the importance of the constitutional amendments, which would be the first ones ever, to eliminate Article 96, which deals with the patriotic military service. We also have a list of political points on which our views would easily coincide. Other political points have been presented by the UNO. We are willing to consider them. Nevertheless, we think that, instead of strengthening the country's legal institutions, such as the Supreme Court of Justice, the Supreme Electoral Council, and the National Assembly, these proposals weaken the country's institutionality because of their wording. Yet we are willing to listen to these proposals, just as ours should be heard. We believe we can persuade them that what we must do is work in earnest to strengthen the country's institutionality.

[Reporter] How can the FSLN help solve some of the problems related to property ownership? Also, how about the constitutional amendments? The FSLN speaks of Article 96 only, but the UNO says it will not vote for the amendments if no other related points are included.

[Ortega] I think their stand is antidemocratic. They should respect the National Assembly majority instead of trying to impose their views. They should try to persuade the National Assembly and the people that their proposals are right. Then they might control the situation. But they should not condition their participation in the Assembly. They have been picking up their checks only, not working as they should to strengthen the National Assembly. Property ownership, included in this document, has been amply debated. There is coincidence, not only between the government and FSLN, but

between the government and the other sectors, that property ownership must be dealt with effectively. We favor a final solution law so not one case is settled through the regular courts. It has happened that, although a problem has been satisfactorily settled through the OOT [Office for Territorial Organization] or the property ownership has guaranteed by an Agrarian Reform title, the interested party still files a demand at a judge's office. We think this practice should be discontinued to put an end to the uncertainty regarding property ownership. Everyone should feel certain of his property ownership, regardless of the form of his property. In addition, a quick way should be found to compensate whoever is entitled for compensation, which we favor. [passage omitted]

Panama

Comptroller General Says Privatization Process 'Has Failed'

PA1005215193 Panama City LA PRENSA in Spanish 9 May 93 p 1A

[Report by Boris Gomez]

[Text] Bambito (Chiriqui)—Comptroller General Ruben Dario Carles warned on 8 May that privatization is "a failure" and disclosed that the state payroll increased $15 million by the end of the first quarter of 1993.

Carles said the privatization process "has failed," adding that the government and the opposition are responsible for the problem because they have been indifferent.

Carles made that statement during the Annual Conference of Business Executives, CADE, Chiriqui Chapter, at the Bambito Hotel in that province.

Carles criticized the directors of the National Institute of Telecommunications, the National Water and Sanitation Institute, the National Port Authority, and the Institute of Hydraulic Resources and Electrification, who, in his opinion, are "hampering" the privatization process.

Carles said those government officials are defending their political interests and are narrow-minded.

He added that the government officials in charge of those institutions have acted on their own due to the national government's irresponsibility.

"Some of them have aspirations for the 1994 political campaign," he stressed, adding that people know who they are and will not vote for them.

In addition, he warned that unemployment "will grow" if the country's future is determined by teachers on strike or demanding doctors "who are not interested in what students learn in school or in the people's health but in wage increases."

Carles said that Panama is a "land of concessions" because the previous government conducted a protectionistic policy for 21 years, and the current democratic government has not been able to change that.

Carles added that the increase in the government payroll is contradictory because Panama needs to reduce the state payroll and salaries. He said he disagrees with a wage increase for teachers.

Regarding President Endara's position on increasing the government payroll, Carles said: "He (Endara) has the same problem as other politicians who want to make concessions, which is not positive, because somehow we have to pay the country's $7.2 billion debt."

Carles said that everyone wants a wage increase nowadays, and during the days prior to the elections politicians both in the government and the opposition try to please everybody, forgetting the real situation.

"No one cares about the functioning of schools and hospitals; they only care about their salaries," Carles said regarding the teachers' demands for a wage increase.

Brazil

Planning Minister Crucius Hands in Resignation

PY0705194893 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 7 May 9

[Excerpts] Planning Minister Yeda Crucius officially left her post this morning when she handed her letter of resignation to President Itamar Franco.

Minister Crucius spent exactly 100 days in government. On her last day as minister she left home at 1000 and went straight to the Planning Ministry where she spent less than 1 hour, just enough time to do a few things and write her letter of resignation.

Minister Crucius does not know what she will do next. All she wants to do is rest.

[Begin Crucius recording] I am going to Porto Alegre where I will spend a 10-day vacation because I have not had one this year. I will see what I will do after that. There is a lot to do. [end recording]

At 1100 Crucius met with President Itamar Franco who returned to work at Planalto Palace today after spending 4 days at home recovering from a virus disease and a tooth inflammation.

The farewell ceremony was brief, free of speeches or spectators. President Franco and Minister Crucius seemed to be in good spirits. [passage omitted]

Alexandre Garcia will now tell us who will be acting Planning Minister:

[Begin recording] (Alexis Stepanenko), National Bank for Economic and Social Development Vice President, who helped President Franco with the administrative reform, will be acting planning minister. Right now Franco is signing (Stepanenko)'s appointment as acting planning minister, which will last for approximately 10 days. During these 10 days the president will think about another four changes in his cabinet.

The cabinet members have not submited their resignations spontaneously and so Franco is going to use the change in the Planning Ministry to carry out a minor cabinet shuffle. [end recording]

Acting Minister Suggests Recovery Plan

PY0805144793 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 8 May 93

[Text] Acting Planning Minister Alexis Stepanenko already has proposed measures for the country's economic recovery. Stepanenko believes that growth can be resumed only through the implementation of aid programs for small and medium-size enterprises because they are faster in responding to government actions.

Stepanenko also upheld the need to debureaucratize the loan system for small and medium-size enterprises so they can have access to cheap and easily obtainable money.

He revealed that he shares Finance Minister Eliseu Resende's ideas by upholding the need to amend the same points of the privatization program.

Justice Minister Reports on Upcoming Cabinet Reshuffle

PY1005211093 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 May 93 p 5

[Excerpt] Brasilia—In the next 15 days, President Itamar Franco will reshuffle the cabinet with two objectives: to adjust the new forces supporting the government and to improve the cabinet's performance. This has been reported by Justice Minister Mauricio Correa, who told O ESTADO in an exclusive interview on 7 May that Planning Minister Yeda Crusius's resignation was a sign to begin the changes. Crusius has been replaced by Alexis Stepanenko. Correa said: "I don't know when this will occur, but it may even be before the next 15 days are over." The minister said that during this new administrative stage the president will demand loyalty from his allies.

Close assistants to the cabinet of Itamar Franco yesterday said that up to six ministers may be replaced in the reshuffle, and that the PP [Popular Party] of former Governor Alvaro Dias will join the government. Correa, who is one of the president's main political advisers, declined to give the names of the candidates. "I don't even know whether I am among the ministers who have met the expectations," he claimed. In the opinion of Planalto Palace, the ministers who might be replaced are those of agriculture, Lazaro Barbosa; of science and technology, Israel Vargas; of culture, Antonio Houass; and of the environment, Coutinho Jorge. [passage omitted]

Corruption Charges Seek To Destabilize Resende

PY0705143093 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 7 May 93

[Text] Finance Ministry Executive Secretary (Evando Borges) said that the charges that construction company Norberto Odebrecht had been favored with Treasury funds only seek to destabilize the position of Finance Minister Eliseu Resende.

(Borges), who heads the Export Financing Committee [CFE], said he was responsible for the decisions made and asserted that Minister Resende was not aware of the development of the projects submitted to the CFE.

In the specific case of Odebrecht, which involves funds earmarked to finance projects in Peru and Ecuador, (Borges) said Resende was only informed that the project had been approved after Odebrecht had announced it had been awarded the project.

Franco Considers Removing Resende

PY1005211693 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 May 93 p 4

[Article by Carmen Kozak and Guilherme Evelyn]

[Text] Brasilia—President Itamar Franco is considering the possibility of removing his friend Eliseu Resende from his post of finance minister if suspicions about favoring the Norberto Odebrecht Construction Company continue. Friends of Itamar have stated that he is very concerned about this issue and is feeling very depressed. They asserted that Resende's fate is in the hands of the press and that if new allegations are made against him the only way out will be to get him to resign.

Given the possibility that Franco will opt to keep Resende in office, his closest aides are trying to cordon him off in a sort of political buffer to stave off any adverse reaction. One minister who makes up this group said: "We are trying, but it is very difficult." The key issue of this mobilization is that it seeks to support Franco rather than Resende.

There is consensus among Franco's aides that Resende's departure would "greatly" weaken the president, who appointed Resende without consulting any political party. Another friend of the president adds: "Any solution will be difficult because Resende is Franco and Franco is Resende."

This friend, who talked with Franco on 6 May, told us that the president is "at a loss" over what to do and has skirted the issue. It is possible to observe Franco's dilemma from his few comments on the subject. First, he tried to blame the press for having "greatly inflated" some "vague" allegations that Resende favored Odebrecht—where he worked as administrative adviser for eight years. Second, the president vented his irritation, saying that Resende should have exercised more care and avoided traveling to the United States with the chief executive of Odebrecht. Franco became irritated this week when some of his aides tried to explain Resende's friendship with Odebrecht's chairman Rubio Fernal Ferreira, who accompanied Resende on his trip. "Do not try to explain it to me. I already have been told about it. I have received information," said Franco.

According to government sources, it was Resende's lack of "care" that prompted Franco to consider Resende's resignation. The same sources stated that, in assessing this difficult decision, the president also must consider the risks of introducing changes in the sensitive economic area just a few days after announcing the government's economic policy. A worried aide said: "The dice have already been thrown because nobody reckoned with this problem." Another government official stated that the appointment of Alexis Stepanenko as planning minister is seen as a "warning" signal to Resende by Franco. Stepanenko is believed to have the "absolute trust" of the president.

Meanwhile, at Planalto Palace, presidential spokesman Francisco Baker yesterday tried to play down the crisis. He stated that Resende is "firm" and enjoys "prestige" in his post.

Industry, Commerce Minister Interviewed

PY0605133893 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 May 93 Business and Finance Section p 3

[Interview with Jose Eduardo de Andrade Vieira, minister of industry, commerce, and tourism, by Beatriz Abreu and Ribamar Oliveira in Brasilia on 4 May]

[Text] [O ESTADO] Is it possible to change the Central Bank's [BC] stance on interest rates?

[Andrade Vieira] I have never read in the papers that the Central Bank of any other country fixes interest rates to suit its economic policy. That decision is always made by the government. Why should it be different in Brazil? The market is just one consideration among many others to be taken into account when taking that decision. Credibility is another, and a third would be the need to market government securities. In the past, we had governments that lacked credibility. Therefore, the BC was literally in the hands of the market at one time. Interest rates were imposed. That no longer applies.

[O ESTADO] Why doesn't that apply now?

[Andrade Vieira] Because President Franco's administration enjoys credibility. He has enough credibility to negotiate. And that is exactly what we are doing.

[O ESTADO] What does Franco really seek with regard to interest rates?

[Andrade Vieira] The president wants to lower real interest rates from 30 percent to a reasonable level, a little higher than those at international level. Brazil must attract foreign investments and boost domestic savings. Thus, domestic interest rates cannot be comparable to international ones because the country would run the risk of failing to attract foreign capitals and also of encouraging capital flight. The market will determine interest rates. We believe that at the beginning they will run at about 14 to 15 percent. Brazilian companies are earning 10 to 12.5 percent abroad. Domestic interest rates must be between 14 and 15 percent or a little higher. If international interest rates subsequently drop to 8.5 or 9 percent, we will reduce them too. Interest rates will fluctuate here if they do so abroad. They cannot be very different from the others. It is a question of good sense.

[O ESTADO] Some economists say that the government's policy on interest rates may cause inflation to go out of control...

[Andrade Vieira] And some economists believe that the only way to beat inflation is with recession. Things are different abroad. I noticed that in the United States,

whenever there is a threat of recession, American interest rates are cut. And yet, what is good for them is not good for us. The United Kingdom implemented some recessive measures until they became explosive and the government had to change its policy. Germany has never implemented a recessive policy for a long period of time. Brazil exceeded all limits because of that obsessive idea of economists that one has to kill workers to cure the country's ailing economy.

[O ESTADO] But if the government has spent less than it collected since March 1990, why does inflation still persist?

[Andrade Vieira] Because of indexation and lack of credibility—a cancer that former ministers introduced into the economy.

[O ESTADO] A cancer?

[Andrade Vieira] Yes, a cancer like fiscal leverage or post- dated checks, which was introduced by the famous economic packages and that must be extirpated.

[O ESTADO] Then the main objective is to end recession, is that it?

[Andrade Vieira] Yes, and also to control inflation. We cannot live with inflation. Fighting recession does not necessarily mean that we have to live with inflation.

[O ESTADO] Yet the measures announced by Finance Minister Eliseu Resende do not deal with inflation.

[Andrade Vieira] They do. Minister Resende only wants to spend what the government collects. He thus chose a policy of restraint.

[O ESTADO] What measures do you advocate to curb inflation?

[Andrade Vieira] To lower interest rates and to work with retailers to reduce surcharges on hire-purchase agreements.

[O ESTADO] How do stores contribute to increased inflation?

[Andrade Vieira] When stores purchase a product, they add to their profit margin a certain percentage to compensate for the cost of the capital invested in stock. Considering the stock is held for a certain time and that the inflation rate is 1 percent per day, they automatically adjust the prices of their products to accommodate this cost. If stores continue to do this, it is obvious that inflation will not drop. We are deregulating interest rates and they must deregulate the prices of their stock.

[O ESTADO] Does the government hope to change that situation merely through talks to be held at a meeting?

[Andrade Vieira] Through talks at a meeting to be held with supermarket owners and consumers. Consumers can help more than the supermarket owners. These changes must occur not only at supermarkets, they should also occur at home appliance, fabric, and shoe stores.

[O ESTADO] How can imports force prices down?

[Andrade Vieira] To maintain prices at their current levels the government will make it easy to import products that cannot be found in the market or those where the prices are under pressure.

[O ESTADO] Has the government enough reserves to do that.

[Andrade Vieira] The government has a solid argument.

[O ESTADO] And the businessmen know that.

[Andrade Vieira] Yes, they do. With $25 billion in reserves, the government can face any sort of dispute.

[O ESTADO] Although this question does not refer to your specific area, do you believe it will be possible to replace 28-day bonds for 15-month bonds?

[Andrade Vieira] Yes, I do.

[O ESTADO] And what about the argument that there is no space in the market for this sort of operation because the economy is unstable and the inflation rate stands at 25 percent per month?

[Andrade Vieira] This problem is up to Minister Resende to solve.

[O ESTADO] But you participated in the discussions....

[Andrade Vieira] The bankers expressed their opinion to Minister Resende. As a result, Minister Resende is taking some steps.

[O ESTADO] The possibility of having the government work with six-month bonds, for example, was suggested last week.

[Andrade Vieira] Everything will depend on negotiations to be conducted with various areas of our economy.

[O ESTADO] Has this hypothesis been discarded?

[Andrade Vieira] No. The 15-month bonds were suggested by bankers during the meeting held in Rio de Janeiro on 25 April.

[O ESTADO] Did the bankers ask the government to prolong the domestic debt because to end it would be to put an end to them also?

[Andrade Vieira] What will they do with the money if the government pays off everything?

[O ESTADO] Relend the money.

[Andrade Vieira] But this sort of change must occur slowly. It cannot be done all at once.

[O ESTADO] Have the functions of the banks been distorted?

[Andrade Vieira] Yes, they have. The distortions were sponsored by former finance ministers and former Central Bank presidents. Most of these former officials now harshly criticize the government program.

[O ESTADO] How long will it take for the economy to react to the government measures?

[Andrade Vieira] It is hard to establish a date for that. These measures, once implemented, will soon yield results. If they do not yield results in 60 days, I will become concerned. They do not have to yield concrete results, but if signs of these results do not become evident in 30 or 40 days, we will have to investigate why.

Government, Businessmen Sign Accord To Fight Inflation

PY1005131993 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 May 93 pp 4, 5

[Text] The government and producers of industrialized foodstuff, packing containers, and cleaning materials yesterday signed an agreement to gradually reduce prices. The businessmen have agreed to avoid price increases above the inflation rate registered the previous month and, whenever possible, maintain prices below these levels. Moreover, the government has agreed to implement measures to reduce interest rates. Next week Finance Minister Eliseu Resende and Industry and Commerce Minister Jose Eduardo de Andrade Vieira will discuss a similar plan with suppliers of raw material to the food and cleaning material industry. The government will continue to seek similar agreements with all productive sectors. The prices of cold cuts and dairy products in supermarkets experienced the largest price increase between 29 April and 6 May. Labor Minister Walter Barelli has proposed the creation of a Special Anti-inflation Ministry [Ministerio Extraordinario da Desinflacao].

Poll Views Citizens Opinion of Politicians

PY0705153593 Sao Paulo FOLHA DE SAO PAULO in Portuguese 1 May 93 Section 1 p 4

[Article by Clovis Rossi]

[Text] In the eyes of the Brazilian people, the Brazilian politicians' image has reached maybe its lowest level in history. No less than 88 percent of those interviewed believe politicians only think about solving their own problems. In the opinion of 93 percent of those interviewed, politicians are only concerned about being reelected, while 92 percent of those interviewed believe politicians become wealthy through their political activities.

These figures are part of a poll that the National Confederation of Industries (CNI) asked the IBOPE [Brazilian Public Opinion and Statistics Institute] to conduct. During the poll, 2,000 people were interviewed nationwide between 14 and 19 April. The results are being exclusively reported by FOLHA.

The recent discredit of certain politicians tarnishes those currently in government: Some 96 percent of those surveyed believe the government could use tax revenues to render better services to the population while 90 percent of those interviewed believe the government spends too much money on things that do not benefit them.

Just 9 percent of those interviewed believe ministers are "totally honest." Most people (52 percent) think politicians "are somewhat dishonest," while a large group (30 percent) is more radical and believe ministers are "totally dishonest."

Those interviewed believe dishonesty is more common in the higher levels of the public administration, even though all public servants have a bad image. Some 55 percent of those interviewed believe there are more dishonest than honest people in the public administration while 66 percent believe higher-level public servants monopolize dishonesty.

Public workers serve the population "as if they were doing the people a favor" according to 78 percent of those interviewed. A total of 67 percent of those polled believe public servants are not polite to those they serve, while 58 percent believe public servants do not try to prevent errors.

Three out of four Brazilians think that you must have a friend inside if you want to solve a public administration problem. This is why 70 percent of those questioned prefer to use the services of an agent, when possible, to avoid going to a public office themselves.

Given this negative opinion, it is natural to find that most people (80 percent) prefer, for instance, to be treated by private physicians. This opinion also applies to banks. A total of 50 percent of those interviewed believe private bank employees are more dedicated, more attentive, and try harder not to make mistakes. Only 27 percent of those interviewed said public bank employees have the same qualities.

The survey included a malicious question: "Is the efficiency and quality of public service generally better during military governments, during democratic governments, or is it the same? The answer favors democratic governments more than expected given the overwhelming criticism of public services during this democratic period. A total of 25 percent of those interviewed believe public services operate better during military regimes, 25 percent said they work better with democratic governments, while 33 percent of those questioned do not see any difference.

The survey shows that despite all the problems in public service, Brazilians like to work for the government: Those who prefer to work for the government and those who prefer to work in the private sector are tied in their preferences with 46 percent each.

Social Security Ministry Reduces Expenses By $250 Million

PY0805030293 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 7 May 93

[Excerpt] Social Security Minister Antonio Britto today said in Porto Alegre, Rio Grande do Sul State, that he had managed to reduce Social Security Ministry administrative expenses by $250 million. The minister added that the ministry's revenue had increased by an average of $200 million per month [as heard].

[Begin recording] [Reporter Shirley Prestes] During the ceremony through which the Rio Grande do Sul Presidency Council was installed this morning, Minister Britto urged the new councilmen to help him maintain the presidency on its current path, through fighting fraud and tax evasion. During an interview the minister also commented on the Rio Grande do Sul separatist movement.

[Britto] Those who are outside Rio Grande do Sul State can evaluate how harmful to the state's image this movement has been. The movement also presents a false image, as no one in our state—except two or three people—wants this separation. I believe we must end this saga before more harm is done to Rio Grande do Sul. [passage omitted] [end recording]

Franco Opens 5th Amazon Region Parliament Assembly

PY1005200993 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 10 May 93

[Text] President Itamar Franco said this morning that Brazil cannot adjust to standard economic solutions and that the government wants to combat inflation while, at the same time, stimulating economic growth. The president delivered a speech at the ceremony opening the 5th Amazon Region Parliament Assembly at the Chamber of Deputies. Congressmen from the eight Amazon Region countries are attending the meeting.

President Franco opened the assembly by saying that the programs drafted for the region must be centered on human beings. The people cannot be sacrificed under the excuse of protecting the environment. The president commented on the national economic situation and defended the idea of fighting inflation through development:

[Begin recording] Standard economic solutions cannot be adopted in our country. Solutions that overlook the need for economic growth and better living conditions for all Brazilians are not good for Brazil. My administration has decided to energetically engage in stabilizing the economy, but we will simultaneously increase the number of jobs and stimulate the activities of the sectors of our economy that may help to increase the salaries of those with the lowest incomes. [end recording]

At the end of the ceremony, as President Franco was leaving, he talked to native Chief Raoni who wants to meet the president at Planalto Palace to demand the demarcation of some land in the Xingu region.

The Amazon Region Parliament Assembly will close on 13 May. The parliament's main concern is to create the necessary conditions for implementing the conclusions of ECO-92 [the UN Conference on the Environment and Development held in Rio de Janeiro in 1992]. ECO- 92 created several projects to increase the number of jobs in the Amazon Region and to improve the situation of 17 million people who are living in a state of misery in the region. For lack of funds, however, none of these projects has been implemented so far.

Reporters Tour Angra 1 Power Plant, Confirm Leak

PY0905131493 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 8 May 93

[Text] Furnas [Furnas Electric Power Plants, Inc.] technicians have confirmed a radioactive fuel leak in the Angra 1 power plant's water circuit.

As of 10 May, 30,000 rods with nuclear fuel will be checked. This operation will have to be done with the utmost care because there is the risk of contamination. Our reporters entered the Angra 1 power plant. This is the first time a television team has been allowed to enter the heart of the nulcear power plant.

[Begin recording] [Journalist Sonia Bridi, from Angra dos Reis] Angra 1's operations were discontinued two months ago. Furnas said it was for routine maintenance, but the problem is more serious: The closed water circuit that goes through the reactor had a radioactivity level way above normal levels.

The water reaches 300 degrees centigrade and warms up another water circuit that becomes vapor in order to make turbines rotate and generate energy.

Before entering the reactor's room to see where the malfunction is, we had to complete several forms and pass through a metal detector. These are measures used to prevent the entry of spies and saboteurs. We went through tests and training to learn how to deal with radiation. At the power plant, we will wear overalls, plastic shoes on each foot, cloth-and-rubber gloves, and hoods—all strapped with adhesive tape. All of the equipment is protected. If the camera becomes contaminated, it will become radioactive waste.

In order to reach the reactor, we had to pass through two security doors—the first one is closed before the other

doors are opened. Between the two doors, there is a concrete-and-steel wall that prevents radioactive leaks in case of an accident. Chernobyl did not have such protection.

Three flights of stairs lead to the heart of the power plant. The reactor is open. It is only possible to remain here because 10 meters of water serve as a barrier against radiation. The temperature reaches 40 degrees centigrade. There are 50 metric tons of nuclear fuel in the reactor's nucleous. The fuel is located inside rods that are being removed for tests.

The beginning of this operation confirms that defects in these rods are producing fuel leaks. It is a delicate operation. At no time does the fuel leave the water. Mechanical arms carry the rods to another pool where they are tested.

After this operation is completed, it will still take a month before the power plant operates again. The problem is that the technicians will have to test the 30,000 fuel rods one by one. Only after the problem is identified will the power plant be able to resume operations.

[Angra 1 manager Kleber Cosenza, in progress] ... the checks on fuel elements and the tests. After the cause is identified, we will determine what should be done in order to prevent this type of malfunction from happening again.

[Bridi] The fuel that can no longer be used by the power plant is stored in those receptacles. For more than 100,000 years, it will remain contaminated as radioactive material—like the Cesium 137 that caused the accident in Goiania.

For 40 minutes we remained inside the power plant with a certain degree of security. Before leaving, however, it is necessary to pass through equipment which indicates the level of contamination. Ten seconds, and: Good news. [end recording]

Plant Placed in 'State of Emergency'

PY1105012193 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 10 May 93

[Text] The Angra dos Reis nuclear plant has been placed in a state of emergency. The first points of nuclear fuel leakage have been discovered in Angra-1. German equipment will test about 50 tonnes of fuel. German technicians finished installing the equipment to test Angra-1's nuclear fuel this morning. The work is done by remote control. To operate the equipment, the technicians are guided by a camera installed at the bottom of a pool some 10 meters deep. The fuel can only be handled underwater so as not to contaminate the environment inside the plant. The equipment is placed inside the rods where the fuel is found, and through ultrasound waves it verifies any possible leak. The test began with the set of 18 rod assemblies that showed radiation indexes much above normal. The technicians will work day and night through 12 May to analyze the 50 tonnes of nuclear fuel at the Angra-1 nuclear plant. After this operation, the fuel will have to undergo other tests. A camera with magnifying lenses will try to find some cracks in the rods that can be smaller than the point of a needle. Only then will Angra dos Reis technicians be able to learn the cause of those failures and whether this fuel, which is manufactured in Brazil, is safe to be used here in Angra-1. The fuel is prepared in a factory of the Brazilian Nuclear Industry in Resende, Rio de Janeiro State, with U.S. technology. The failures could have been caused by factory failures or project errors. The test of the first set has confirmed the failure of five rods that have been leaking fuel inside the reactor vessel.

Tanks With Toxic, Explosive Material Sink at Port

PY1105032993 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 10 May 93

[Text] Three days of danger have been lived through in the depths of the sea in Bahia State. Security has been strengthened at Salvador's port, where two tanks containing toxic and explosive products have fallen off a crane.

The Salvador port is again operating partially. Ten ships have anchored at All Saints Bay, but today, only two could dock to unload their cargo. The accident area remains closed. Two hundred meters around the pier have been isolated, and police do not allow anyone to get near. The buoys indicate the exact place where the containers are underwater.

They fell off while being unloaded from a Mexican ship. The containers include two 10-ton tanks containing a dangerous chemical product: the triethyl aluminum used in manufacturing plastic. It explodes on contact with water and air, and liberates a highly toxic gas.

Bahia State Environmental Resources divers are monitoring the area and already have verified that the tanks are in one piece so far. Environmental organizations' greatest concern is the delay in retrieving the containers. The toxic gas already has been under water 72 hours, and the danger of leakage has not been ruled out.

The rescue operation will be carried out by the company that unloaded the ship here at the port, but it depends on the arrival of a technician from the company that produces this gas in the United States. He is coming to lead the operation and try to prevent a more serious accident.

The technician of the U.S. company that produces the chemical product will arrive in Salvador on 12 May. A Bahia institute that takes care of the environment has reported that the tanks will be removed from the water on 13 May.

Contaminated Fruit Prompts Dispute With Argentina

PY0805033293 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 May 93 Economy Section p 8

[Text] Porto Alegre—Brazilian trucks loaded with bananas from Sao Paulo were barred yesterday, at Uruguaiana, from entering Argentine territory. According to information provided by Brazilian inspectors, a total of 70 trucks coming from several areas of the country are either being delayed or have already returned from whence they came, without being able to unload their cargoes. This is part of the "fruit war" that has broken out between Brazil and Argentina.

In the opinion of Carlos Henrique Garcia, an agronomist from the Agriculture Ministry in Uruguaiana, "they are retaliating." The Argentine decision could be in answer to the Brazilian embargo against apples infested with worms. Garcia noted that "over the past 30 days we have already barred entrance to 15 shipments of Argentine apples, and now they are not allowing Brazilian bananas access to their country."

Shipments from Brazil are not being allowed to enter Argentine territory on the grounds that the truck drivers are unable to produce a phytosanitary certificate certifying that they come from a place free from Cosmoplitus sordidus, better known as the banana plant borer. Garcia, who is in charge of overseeing the cargo, is of the opinion that the Argentine allegations are groundless. "Why don't they implement phytosanitary controls, then? They don't because they know they are not going to find anything," he contended. Moreover, he stated that the pest attacks only the roots of the banana plant. He stressed that "there have been no cases reported of borers in the fruit" and that those few places where banana plant borers have been spotted are under control.

Argentine apples are being turned away because of infestation by a worm called Carpocapsa pomponella. Garcia underscored that "we found an average of 12 worms per crate; but even if we had found only two in each crate of 100 apples, each shipment would have had 1,600 worms." Garcia estimates that this number would be enough to infest Brazilian apple trees. He stated that "we know that apple worms have spread in the valley of Rio Negro in Argentina this year, due poor control measures." He further stated that the banana plant borer that Argentina is allegedly trying to prevent from entering their country is already found in producing regions of that country.

Agriculture Ministry Tightens Controls

PY1105022893 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 10 May 93

[Text] The Agriculture Ministry has intensified controls at the Rio Grande do Sul border to prevent the entry of contaminated foodstuffs. Agricultural and livestock products brought through Rio Grande do Sul ports and airports will be submitted to a thorough analysis starting today by Agriculture Ministry agents due to the control operation [operacao profiscal], a sort of fine comb operation unleashed to counterbalance the Agriculture Ministry agronomists' strike.

According to Rosinha Perone Mezquita, president of the agronomists' association, the control operation was established due to the risk of allowing the entry of contaminated foodstuffs because phyto-sanitary certificates are not being issued because of the strike.

She said there are risks of the entry of the Suriname fly, which causes the spoiling of fruits, and the apple worm coming from Argentina that can contaminate the crops.

Separatist Material Seized; Anti-Separatist Party Created

PY0705165793 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 7 May 93

[Text] More than 500 kg of propaganda material of the self-styled southern separatist movement The South Is My Country was seized yesterday in Curitiba and Porto Alegre.

The Federal Police arrested four members of the movement at their campaign committee headquarters in downtown Curitiba. The four separatist were indicted on charges of promoting crimes against national security.

Separatist leader Irton Marx said the arrests represent a violation of the freedom of expression and choice.

The northeastern region also wants to separate from Brazil. Separatists of this region are preparing the first Independent Northeastern Region meeting that will be held next month in Tuparetama, 380 km from Recife. According to Tuparetama Mayor (Pedro Tono), one of the most popular political leaders of the hinterland, the Northeastern region is sick of the way it is discriminated against and wants to prove it can survive without the help of the rest of the country.

Federal Deputy Edi Siliprandi of the Democratic Labor Party [PDT] for Santa Catarina is creating a new party to stop the separatist movements in Brazil.

The purpose of the Municipal Confederative Party [Partido Confederativo Municipalista] is to correct the political and economic distortions that provoke separatism.

Siliprandi believes states should be autonomous and have their own laws, as in the United States.

* Founding of Progressive Renewal Party Detailed

93SM0221A Sao Paulo VEJA in Portuguese 14 Apr 93 p 25

[Article: "With Party Leftovers"]

[Text] Using the leftovers from disintegrating parties, Maluf is setting up the PPR [Progressive Renewal Party] and earning the right to a slot on TV for campaigning in the presidential race.

Only three months after becoming mayor of Sao Paulo and saying that he would serve out his term through 1997, Paulo Maluf has taken his most conspicuous step toward declaring his candidacy in the presidential campaign. In Brasilia on Sunday of last week, Maluf held a ceremony marking the death of the PDS [Democratic Social Party] and the birth of the Progressive Renewal Party, or PPR. By merging with the PDC [Christian Democratic Party], the new group added 13 more deputies and four more senators to the troops of the deceased PDS, which itself had arisen from the ashes of the former Arena [National Renewal Alliance]. Also applying for membership in the party were 14 congressmen from the PFL [Liberal Front Party], the PTB [Brazilian Labor Party], the PL [Liberal Party], the PRN [National Reconstruction Party], and the PSC [Social Christian Party]. This new bag of cats does not include any new state governors—the only representative of that group is Romildo Magalhaes of Acre, who already belonged to the PDS. The PPR is a numerical success in Congress, where it has become the third-largest bloc, bigger than the PSDB [Brazilian Social Democracy Party], the PDT [Democratic Labor Party], and the PT [Workers Party]. It has 72 deputies and 10 senators as well as 865 mayors.

"By the middle of the year, we may be the largest party in the Chamber of Deputies," says the always optimistic Maluf, who is currently 29 deputies short of the biggest party, that being the PMDB [Brazilian Democratic Movement Party], and 16 short of the PFL, which is in the number two spot. Among his other acquisitions, Maluf brought into his ranks the deputy and former minister of finance, Francisco Dornelles, whose presence will reinforce the aquarium of liberal economists in a party that already had Deputies Delfim Netto and Roberto Campos and fellow traveler Affonso Celso Pastore. Most of the new arrivals consist, however, of obscure congressmen scooped up in Brasilia during a barrel-scraping operation to which the mayor of Sao Paulo devoted himself with great earnestness, even meeting personally with 44 of the congressmen. The PPR is a party made up of leftovers, since it was put together with the scraps of disintegrating parties sharing no unity as to program and lacking any significant national leaders. "Maluf made such an effort to win deputies over that it even looks as though he is going to run for president in an indirect election," is the ironic comment by one of the most diligent observers of political behavior in the federal capital.

The fact is that by scooping up deputies by the bucketful, Maluf's party has in view an important factor in the presidential campaign: TV time during the free campaign programming. It is an effort being made in vain, since Maluf does not come across well on TV. "We are setting up a very important structure for whoever wants to be president of the republic," says Senator Esperidiao Amin, who was chosen party president. Economist Marcos Cintra de Albuquerque, Maluf's planning secretary, says: "Since voter polarization will be between Maluf and the PT candidate, we will also have to have the support of forces which we are not trying hard to draw into the PPR, one example being the oligarchic sector of the PFL. The only thing remaining is for the mayor to announce his candidacy." It is a waste of time waiting for Maluf to make an official announcement of that decision. After his defeat by Tancredo Neves in the Electoral College, he adopted a piece of theater that is now habit: he denies everything until the last moment and only admits that he is in a campaign after people have already gotten the impression that this time he is going to stay out of it. Maluf's presidential ambition comes across in the words of his allies and in the candidate's gestures.

Unpopular measures: To put the PPR together in person, Maluf made three trips to Brasilia, two of them in a jet paid for by the City of Sao Paulo at a cost of 550 million cruzeiros. There is not always room on his agenda as mayor for meetings with members of the Sao Paulo Municipal Council, but there is always time in his schedule to see congressmen and governors from other states. Kept in the public eye by the program of the Parliamentary Front—he is one of its most constant advocates—the mayor has not yet rolled up his sleeves to administer the city with projects and plans having an impact likely to strengthen his candidacy. From his office in the Palace of Industries, he has sent only 14 insignificant bills to the Municipal Council. On the other hand, he has adopted unpopular measures such as taking buses off the streets and raising fares. His most ostentatious plan—the extension of Faria Lima Avenue—is far from being a priority in a city that has no lack of floods, homeless people, and social blight of all kinds. His timid and unimaginative administration of Sao Paulo could easily be confused with the administrations of Mario Covas and Reynaldo de Barros.

Makeup of Chamber of Deputies

Party	Total deputies
PMDB	101
PFL	88
PPR	72
PDT	42
PSDB	38
PT	36
PP•	34
PTB	26
Other	66

• [Popular Party]

Size, Makeup of PPR

The members of the new party are broken down as follows: 60 percent are in the liberal professions, 30

percent are businessmen, and 10 percent are ranchers. Their average age is about 50 years.

Of the 12 congressmen who were in the Chamber of Deputies in 1984, none voted in favor of the amendment on direct elections. Half were against it, and the others abstained from voting.

In the vote on impeachment, 10 PPR deputies voted in favor of Fernando Collor, and five abstained. The new party gave 50 votes to the group favoring Collor's removal from office. Seven congressmen were alternates at the time.

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* Efforts Under Way To Save Engesa From Bankruptcy

93SM0223A Sao Paulo ISTOE in Portuguese 14 Apr 93 p 56

[Text] Brazilians pay 58 different taxes—visible ones. But there are also the hidden taxes that the consumer pays in order to compensate, with public funding, for the shortages at bankrupt state or private corporations. A new specimen of this type is sneaking around, waiting to pounce. Perhaps it could be called the "Cascavel tax." It represents the cost of rehabilitating Engesa [Specialized Engineers, Inc.], the manufacturer of those famous armored military vehicles—the Urutu, the Jararaca, and also the Cascavel. Engesa is a private company that, during its heyday in the 1970's and 80's, exported as much as $2.6 billion to 28 countries, but has been in Chapter 11 since March 1990 and has racked up debts estimated at $200 to $400 million.

The Brazilian Army, through its Imbel [War Materiel Industry], took over Engesa in 1989 to roll over its debt and then privatize it again. The problem is that not even after the rollover were investors interested in the indebted company. Without even enough funds to feed and clothe all its recruits, the Army cannot not take it on by itself. But it needs Engesa, which once supplied 90 percent of its equipment and now owes the Army more than 1,000 vehicles. According to sources in the Strategic Affairs Secretariat (SAE), 90 percent of the price of those trucks, jeeps, and armored vehicles—or $100 million—has already been advanced to Engesa, during the Sarney administration.

With the Army out of the picture, Engesa is one step from bankruptcy. The conclusion is that if the military wants to keep the company going and preserve the technology it developed, besides receiving its vehicles, the only alternative is to shift an enormous uncollectible debt to the company's creditors. Banco do Brazil and the BNDES [National Bank for Economic and Social Development] are at the top of the list. "A rescue of Engesa is fully justifiable because it is a strategically important company," General Armando Paiva Chaves, chief of the Army's War Materiel Department (DMB) and coordinator of the attempts to help Engesa, told ISTOE in Rio de Janeiro. "In the final analysis, the bank and the other creditors will get stiffed," acknowledged Arnaldo Araujo Souza, head of the BNDES's Sao Paulo office.

Among the military, one of the modes being studied for the Cascavel tax, in order to save the part of Engesa that is of interest to the Army, would entail letting the company go bankrupt. But first, a decree would expropriate its most important factory, the one at Sao Jose dos Campos (Sao Paulo) "for reasons of the national interest." The plants at Salvador (Bahia) and Barueri (Sao Paulo) would go on the auction block, where it is expected they would bring less than $40 million. Creditors would be forced to be content with what is really only a "bone" from Engesa. The "filet mignon" would go elsewhere. The proceeds of the expropriation—about $35 million—would be enough to pay off labor-related debts. Debt-free, the Sao Jose dos Campos factory could be leased. One favorite candidate for the deal has already surfaced: the giant British Aerospace, largest European complex in the defense field.

General Paiva Chaves, of the DMB, does not conceal his enthusiasm for British Aerospace, even though the firm is not in the best condition. British Aerospace accumulated losses of $250 million, just in the first half of 1992. Paiva Chaves and Minister of the Army Zenildo Zoroastro went to London in February at the invitation of British Aerospace, aboard a company plane. The future of Engesa was one of the topics discussed. According to the DMB chief, any negotiation involving Engesa could be accomplished without competition. In that case, the British manufacturer would be associated with Brazilian investors and with Imbel itself. But that idea has its critics. "Public competition, transparent, with the possibility of participation by private companies and provision for participation by a foreign firm, which could be British Aerospace, would be a valid solution," countered General Diogo Figueiredo (Reserve), brother of former president Joao Baptista Figueiredo and also a former chief of the DMB. ISTOE has learned that at least one joint venture between the Brazilian metalworking firm QT and a Swiss firm, IPF, backed by the American mining conglomerate Codepa, is interested in leasing the Engesa facility. "We can offer a portfolio of $1 billion in orders for Engesa vehicles, as well as a $500 million reserve as guarantee," said Wilson Gianetti, the IPF representative in Brazil.

It is known that the military lobby is promoting the Cascavel tax in Congress and with the federal government. One of the lobby's targets is the PT [Workers Party], since Engesa's paralysis has caused a major social problem in Sao Jose dos Campos, whose mayor is of that party. About 500 company employees, who have not been paid in three years, are camped out at the Engesa gates. Another 500 laid-off workers have not received their FGTS [Severance Pay Fund] money. According to the local metalworkers' union, one desperate engineer committed suicide.

*** Privatization Attracts Minimum Foreign Capital**

93SM0223D Sao Paulo FOLHA DE SAO PAULO in Portuguese 11 Apr 93 p 1-10

[Article by Rio correspondent Francisco Santos]

[Text] Brazil's privatization program has not yet taken off outside this country. So far, foreign capital has contributed only $223.7 million of the $5.18 billion total obtained from the sale of 20 companies. This represents only 4.31 percent of the proceeds. Foreign capital is not allowed to purchase more than 40 percent of each divested company.

In terms of reducing the foreign debt, the results of the program so far have been even more timid. Of a total of $4.13 billion already paid for the privatized companies—the $1.05 billion from the CSN [National Iron and Steel Company] auction will not be paid until this Monday—only $69.3 million was in the form of foreign debt instruments, an almost negligible percentage in comparison to the $100 billion this country owes foreign creditors.

There are plenty of explanations for this. In the opinion of [National Bank for Economic and Social Development] experts, the problem is that the companies auctioned off so far, all industrial firms, are not attracting interest from foreign investors. They argue that those investors will be more interested when companies in fields such as telecommunications and electric power are put up for sale.

If this is the case, then there is a long wait ahead. To include those sectors in the program requires changes in the law. And BNDES Vice President Alexis Stepanenko, a member of the "friends of Itamar Franco," has already said that this administration will not privatize telecommunications or electric power.

Although reluctant to say so, BNDES experts do not deny that the instability of the Brazilian economy also helps scare off potential international investors in the privatization program.

To Ken Baxter, 40, foreign investments manager at the Bozano, Simonsen Bank, a whole set of factors—starting with the "cloudy picture" of the Brazilian economy—is keeping foreign investors away from the privatization sales.

According to Baxter, the fact that the divestitures are handled only through auctions hampers the formation of consortia and is another impediment to the entry of foreigners. He argued that sales should also be conducted by sealed bid, as a way of encouraging consortia.

The executive of Bozano, one of the most active banks in the privatization program, said that international firms are also inhibited by the short interval afforded between the decision to sell and the actual sale of the companies, and by the use of "rotten currencies" purchased at discounts from their face value, which might scare away those who have only hard currency to invest.

As for permission to use foreign debt instruments (Deferred Financing Agreements, or DFA's), instruments that can be purchased on the secondary market—also at a discount—Baxter said the 25 percent discount from the face value required by the Government of Brazil also drives away investors. Last year, a committee of European banks visited Brasilia to try to negotiate an end to the discount, but the Central Bank would not agree.

As for the argument that industrial companies are not generating interest outside Brazil, Baxter said "it is impossible to believe that those companies were of interest only to the Brazilian investors who bought them."

As for the fact that foreigners can buy only a 40 percent stake in the companies being sold by the State, Baxter said that although it may not be the deciding factor, the limit also discourages investors. "It makes them wonder whether there are other restrictions as well," he said. The Brazilian government has now promised to abolish the ceiling.

[Box p I-10]

Usiminas Attracted the Most Capital

So far, Usiminas [Minas Gerais Iron and Steel Company] is the company that has attracted the most foreign funds, a total of $66 million. The sum thus raised at auction represented 5.9 percent of the value of the company.

The smallest foreign participation, only $200,000, was seen in the auction held to sell CST [Tubarao Iron and Steel Company]. At the most recent auction, for CSN, foreign investors purchased a 1.4 percent interest, or $24.4 million.

So far, foreign investors have been most attracted to the petrochemical sector, in which international firms already have an interest. Despite the fact that these firms are smaller than the steel companies and most of the privatizations have involved minority shares, these have been responsible for the entry of $111.2 million in foreign capital, more than half the proceeds so far. The petrochemical companies in which foreigners purchased shares in privatization sales were Petroflex, Copesul [Southern Petrochemical Company], Polisul, and PPH. Of the 20 companies already privatized, 10 did not attract any foreign capital: Mafersa, Cosinor [Northeastern Iron and Steel Company], Acos Finos Piratini [Piratini Fine Steels], Indag, SNBP (Prata Basin Ship-

Brazil: Percentage of Foreign Capital in Each Privatization In US$ million

Company	US$ Million
Usiminas	66.0
Copesul	58.0
PPH	40.8
CSN	24.4
Polisul	11.4
Celma	11.3
Acesita	9.9
Petroflex	1.0
Fosfertil	0.9
CST	0.2

* Sao Paulo Indigents Number 1.7 Million

93SM0223C Rio de Janeiro O GLOBO in Portuguese 30 Mar 93 p 8

[Text] Sao Paulo—At least 11 percent of families in greater Sao Paulo live in misery, with absolutely no housing, jobs, education, medical care, or income. This means that about 1.7 million of the metropolitan region's 15 million residents survive under conditions that contrast sharply with the $158.2 billion GDP that Sao Paulo produces every year.

The impoverished state in which one out of every 10 *paulistanos* is mired is the principal finding of a research study released yesterday by the State Data Analysis System (SEADE). After three years of interviews, followed by analysis of the data gathered from 5,500 families, SEADE experts determined that 65.5 percent of the workers in that legion of indigents earned less than three minimum wages per month. That is not all: 47 percent of persons of working age are unemployed or occupationally inactive; and 40 percent of young people aged 10 to 17 only work, having abandoned their studies, while 10 percent neither work nor attend school.

Brazil: Living Standards in Greater Sao Paulo

Occupations of Persons of Working Age	
Domestic worker	5.0%
Self-employed	14.5%
Wage-earner in public sector	11.4%
Wage-earner in private sector	64.0%
Employer	4.3%
Other	1.7%
Educational Level	
Did not finish primary school	29.5%
Did not finish elementary school	36.1%
Did not finish secondary school	14.6%
Finished secondary school	10.2%
Post-secondary school	9.6%
Income of Employed Persons (in minimum wages)	
Up to 3 minimum wages	33.8%
3 to 5	22.4%
5 to 10	25.9%
10 or more	17.9%

Source: State Data Analysis System Foundation-SEADE.

Most (63.8 percent) of impoverished Sao Paulo families live in masonry houses of up to three rooms, while 34.8 percent live in shacks or tenements. People in that category are the most likely to invade properties owned by others (15.4 percent).

With support from the International Labor Organization (ILO) and the Ford Foundation, SEADE statisticians adopted an innovative methodology to classify living standards. They counted what was missing, i.e., the people who had accumulated the fewest needs had the best standard of living.

* UNE To Stage Student Strike in May

93SM0223B Sao Paulo FOLHA DE SAO PAULO in Portuguese 12 Apr 93 p 1

[Article by FOLHA Campinas correspondent Antonio Flavio Arantes] with a promise: the "painted faces" will

be back. Coneg scheduled a general strike by students for 4 May. Organizers hope to stop the activities of 40 million university and high school students nationwide for one day. It will be the first student strike in 12 years.

"We will put chains on the doors to the school buildings and epoxy glue in the locks of the classrooms," said Lindbergh Farias, 23, president of UNE, at a heated plenary session that approved the strike amid shouts that "Brazil will stop on the 4th, and fight!"

Following the demonstrations in favor of the impeachment of former president Fernando Collor, the students promise to paint their faces this time to demand a reformulation of the country's education policy. Their immediate demand is a freeze on tuition levels until the interministerial commission set up to study a new proposal for adjusting the monthly fees completes its work. The commission will meet on 20 April and has 45 days to submit a study.

Among the principal points discussed and approved at the Coneg, the preparatory meeting for the UNE Congress scheduled for June, the strike was one of the only ones on which there was a consensus. The organization is split. The wing associated with the PT [Workers Party] founded the dissident UNE Democratic Movement (MUDE). The PCdoB [Communist Party of Brazil] and the MR-8 [8 October Revolutionary Movement] are aligned in another front, and then there are the independents.

These divisions, however, could ensure the success of the strike. Each group promises to try harder than the other in mobilizing the students.

"We are going to mobilize the students by urging opposition to the Itamar government," said Marcelo Dantas, a member of MUDE and first secretary of UNE.

MUDE's proposal to place UNE in unrelenting opposition to Itamar Franco was defeated at the Coneg. The majority of delegates decided to remain independent as regards the federal government.

"The government is suffering tremendous pressure from the Right," said Ivanilson Soares, a vice president of UNE and affiliated with the PCdoB, to justify the option for independence. The organization's secretary general, Helvio Rech, of MUDE, said the wing he belongs to did not come away completely defeated on the issue of the Itamar government. He points out that the approved text contains some points advocated by MUDE and also adopted by UNE, such as opposition to the national privatization plan.

By early last evening, the plenary session was to begin debating internal UNE issues, such as the impeachment of a vice president, Mauro Bianco, accused by PT groups within the organization of having abandoned university studies in 1990 to become a "phantom" student at Puccamp (Pontifical Catholic University of Campinas). The DCE [expansion not given] of Puccamp is preparing a file of more than 100 pages on the status of Bianco, who denies he is "in default."

Chile

Foreign Minister on 'Positive' Letter From U.S. President

PY0705205293 Madrid EFE in Spanish 2312 GMT 4 May 93

[Text] Santiago, 4 May (EFE)—Chilean Finance Minister Alejandro Foxley stated today that the letter that U.S. President Bill Clinton sent to his Chilean colleague, Patricio Aylwin, constitutes a very good basis for discussing pending matters between the two friendly countries.

The finance minister made this remark when asked by the local media about the Clinton letter, which lauds the government for "Chile's historic steps in strengthening democracy and human rights" together with its economic policy.

Reporters asked Foxley whether the letter could not be considered "implicit pressure" to negotiate intellectual property rights and an agreement on the protection of investments before negotiating a free trade treaty with Chile.

The minister said that "it is a very positive missive, as President Clinton has been more than clear about the path the United States plans to use in negotiating a free trade treaty with Chile."

He added that this was an implicit acknowledgement of the arguments on this matter that are being presented to the White House.

According to Foxley, the letter "indicates that they have made an important decision regarding Chile, and at the same time they are expressing their admiration for Chilean experiences in democracy, human rights, and economic development."

The minister said that "this is a very good basis for a dialogue between two friendly countries on several topics that are on the agenda, and which we do not want taken off."

In President Bill Clinton's missive, dated 23 April and disseminated on 3 May by the Chilean Foreign Ministry, the U.S. chief of state said that "I continue to be profoundly committed to pursuing a free trade agreement with Chile."

The negotiation of this agreement is subject to the approval of NAFTA [North American Free Trade Agreement]—which includes the United States, Canada, and Mexico—by the U.S. Congress.

EC Restrictions Cause $100 Million Loss in Apple Exports

PY0705214293 Madrid EFE in Spanish 1346 GMT 5 May 93

[Excerpts] Santiago, 5 May (EFE)—Local fruit growers said today that Chilean apple growers had lost a total of $100 million because of EC restrictions imposed on apples imported from Chile.

Ricardo Ariztia, chairman of the Fruit Growers Federation, stated that in 1993 Chilean apple exports to EC countries decreased to 7.6 million cases per year, as compared with the 10.3 million cases exported during the same period in 1992. [passage omitted]

Agriculture Minister Juan Agustin Figueroa promised to take immediate action, through the Chilean embassies in EC countries, to resolve the problem affecting Chilean apples in the EC market.

Exporters Association Chairman Ronald Bown said that Chilean businessmen and government officials hope a solution will be found within 15 days. He added, however, that negotiations will be complex "in view of inflexible EC regulations."

Bown urged those producers who have yet to complete the apple harvest to look for alternative markets, and not to believe they would be exporting their produce to the EC.

Joint Declaration Signed With Visiting Uruguayan Minister

PY0805035393 Madrid EFE in Spanish 0027 GMT 8 May 93

[Text] Santiago, 7 May (EFE)—The foreign ministers of Chile, Enrique Silva Cimma, and of Uruguay, Sergio Abreu, today signed a joint declaration in this city expressing their concern over the human rights violations in Haiti, and their wish that Cuba might return to the path of democracy.

The two ministers also expressed their wish that the elections taking place on 9 May in Paraguay "might contribute to the consolidation of democracy" in that country.

The ministers also signed a bilateral technical and scientific cooperation agreement to execute joint programs in the fields of fishing, agriculture, forestry, port services, tourism, mining, transportation, and business.

Regarding the situation in Cuba, the joint declaration states that Chile and Uruguay want "Cuba to take democratic steps toward its full reincorporation into the community of Latin American countries."

As for the international scene, the ministers reiterated the need for all hostilities in Bosnia to "immediately cease" and for the contending factions in the zone to soon accept a peace plan.

In their declaration Silva Cimma and Abreu attached particular importance to the Uruguay round of GATT talks, which have been at a standstill for the past few years.

The ministers reiterated the importance of "a quick and successful conclusion to the negotiations in the Uruguay round of GATT talks." They likewise pointed out the efforts made by both Chile and Uruguay in the growing process of opening up their economies.

They mentioned the difficulties that Chilean and Uruguayan agricultural products have in gaining access to the markets of industrialized countries, "negatively affecting the economic development of the two countries."

They added, just as the presidents of Chile and Uruguay had said in March 1992, that "not reaching a satisfactory agreement, within a reasonable period of time, in the Uruguay round of the GATT talks will harm stability and the possibilities for expansion in the international trade system and in the development of the Latin American economies."

In their declaration the ministers also stressed the excellent bilateral relations between Chile and Uruguay, and congratulated each other for a tradition of "close friendship and broad cooperation."

They stressed the significant importance of trade exchange between the two countries, and reasserted the determination of their governments to explore means that will allow them "to increase the liberation of trade flows, seeking a maximum opening up of their respective markets."

In keeping with this objective, they agreed to summon during the second week of July the bilateral integration council of the two countries, which was created by a document signed in 1985 within the framework of the Latin American Integration Association (ALADI).

Committees from the two countries are negotiating a broadening of this agreement so as to increase bilateral trade, which in 1992 increased by 70 percent with a total trade exchange of $84.6 million.

Minister Abreu today concluded a four-day visit to Santiago, during which he met with President Patricio Aylwin, his counterpart Enrique Silva Cimma, and other government officials and business leaders.

Colombia

Report on Radar Operations at Leticia Military Base

PA0805180893 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 8 May 93

[Report by Carlos Julio Betancourt]

[Text] The Leticia Military Base and its counternarcotics radar has become very popular. Morris D. Busby, U.S.

ambassador in Colombia, visited the site on 6 May and Colombian defense minister will also visit the area in a few days. The mystery surrounding this military base has been clearing up with each passing day.

The silence of the military authorities regarding the shroud of mystery surrounding the operations in Colombia involving U.S. military personnel lasted exactly seven months.

The Leticia Military Base, where a radar used in the struggle against drug trafficking has been operating, is an example of this mystery. The Joint Southern Command confirmed that at least 30 U.S. military advisers are currently stationed at the Leticia Military Base instructing Colombian officers and junior officers.

[Begin recording] [General German Castro, Joint Southern Command commander] Flights have been arriving with spare parts to repair and maintain the radar system. The maintenance of this equipment is quite costly. Sometimes there are malfunctions and there is no way of getting spare parts in this area. [end recording]

Regarding the results of the operations, the country has never been informed of the extent or the real effectiveness of these operations.

[Begin Castro recording] Clandestine flights were reduced by nearly 60 percent. There were too many aircraft flying in this area. This also forced the drug traffickers to fly lower than normal, which increased the probability of accidents. [end recording]

Although silence has been finally broken, press access is still completely restricted, there are more checkpoints around the area, and security is absolute.

[Begin Castro recording] Naturally, we keep our activities confidential because if we start disclosing details of the radar or any of its technical aspects, it would be counterproductive to its purpose. [end recording]

The agreements between the Colombian and U.S. Governments are clear regarding cooperation issues. However, no one knows for sure how many U.S. military advisers are in Colombian territory, what other type of activities they carry out, and how long they will remain.

Government To Strengthen Military To Fight Guerrillas

PA1005215293 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 9 May 93

[Report by Jesus Garzon; passages in quotation marks are recorded]

[Text] The government has announced it will defeat the guerrillas by further strengthening its military apparatus .

[Government Minister Fabio Villegas] "It is possible to defeat the guerrillas in Colombia. It is possible to do away with guerrilla organizations legally because we are also strengthening our legal institutions and receiving the country's support and solidarity."

Political and social sectors have backed the government's decision and warned the guerrillas that they must put down their weapons if a dialogue is to ensue.

[Senator Andres Pastrana Arango] "As I have said, the guerrilla organizations must release each and every person who has been kidnapped. They must stop terrorist actions and demonstrate that they really want peace. Until that happens, the government should not talk with the guerrilla organizations.

[Senator Jose Blackburn Cortes] "The guerrillas must show us in a 60-day period that they are really willing to enter the country's institutional life."

The country's political leaders have asserted that although the guerrillas have lost all credibility and are increasingly identified as common criminals, the government should explore new roads for understanding.

[Jaime Calderon Burgos] "The Social Conservative Party's position has traditionally been to back all efforts to continue searching for possible understandings that could lead to peace."

In conclusion, the government and the country's active sectors agree in asserting that the conflict cannot end in a tie and that the violent ones will be defeated in the end.

Army Captures Guerrilla Leader in Valle del Cauca

PA0705232993 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 7 May 93

[Text] The Army on 6 May captured the second in command of a Revolutionary Armed Forces of Colombia front operating in a rural area of Buga Municipality, Valle del Cauca Department. He is Miguel Antonio Amezquita, alias Rigo, who is charged with murdering five detectives of the Administrative Department of Security, of blowing up toll booths and power line and communications poles, of kidnapping several farm owners, and of leading the occupation months ago of Ginebra Municipality where 12 guerrillas died. The Army found a large amount of weapons and explosives on Rigo.

Paraguay

Vote Counts Put Colorado Party's Wasmosy in Lead

Wasmosy Said To Lead by 7 Percent

PY1005182693 Asuncion RPC Television Network in Spanish 1600 GMT 10 May 93

[Report by Anibal Gomez]

[Text] According to a spot vote count on 20 percent of the votes and a parallel vote count over 65 percent of the votes that ended at noon today, Colorado Party candidate Juan Carlos Wasmosy is the new Paraguayan president. Wasmosy continues to have an advantage of slightly more than 7 percent over Authentic Radical Liberal Party, PLRA, presidential candidate Domingo Laino.

Saka officials state that if there are any variations, these will be minimal and that they will have no affect on the results which are as follows: Juan Carlos Wasmosy 40.14 percent; Domingo Laino 32.83 percent; and Guillermo Caballero Vargas 24.97 percent. The other candidates did not total 1 percent of the votes.

The Senate will be composed of 19 ANR senators; 16 PLRA senators, and 10 EN senators. Moreover, the seats in the Chamber of Deputies will be distributed as follows: 31 percent will be assigned to ANR legislators; 28 percent to PLRA legislators; and 13 percent to EN legislators.

Esteban Caballero Carrizosa discussed the figures SAKA has available.

[Begin Caballero Carrizosa recording] You must understand that these spot vote counts reflect the entire political spectrum. We are absolutely certain that the candidates did indeed obtain these percentages. To certify these percentages we are now conducting a parallel vote count based on votes from 80 percent of voting stations. The parallel vote count trend at this time reflects virtually the same results of the spot vote count.

Moreover, we must also establish that the results obtained by the National Electoral Board coincide with ours. I believe that the result of the spot vote count conducted by international observers also coincide with ours. Therefore, we are certain that our results are genuine. [end recording]

Saka Puts Wasmosy at 38.9 Percent

PY1005233393 Asuncion Radio Nanduti in Spanish 2314 GMT 10 May 93

[Excerpt] Anita [no surname as heard], I would like to report the parallel vote count issued by Saka. Juan Carlos Wasmosy has 38.9 percent; Domingo Laino, 31.5 percent; and Guillermo Caballero Vargas, 27.1 percent, from a total of 69.23 percent of examined voting tables. Jose Carlos Rodriguez, who is one of Saka's directors, has said that Wasmosy is undoubtedly the winner. [passage omitted]

Asuncion Radio Nanduti Updates Results

PY1105014093

[Editorial Report] Asuncion Radio Nanduti in Spanish at 0102 GMT on 11 May updates the presidential election results as follows. Total of votes counted so far is not given:

Candidate	Votes	Percentage
Juan Carlos Wasmosy	142,790	39.49
(Colorado Party)		
Domingo Laino	109,102	30.17
(Authentic Radical Liberal Party)		
Guillermo Caballero Vargas	97,131	26.86
(National Encounter Alliance)		

Radio Nanduti adds that these will be the last official Central Electoral Board results released on 10 May, that the Board will release three official updates per day, and that the next official update will be released on 11 May.

PLRA's Laino Says Envelopes Arriving Open

PY1105001993 Asuncion Radio Nanduti in Spanish 2336 GMT 10 May 93

[Interview with Dr. Domingo Laino, Authentic Radical Liberal Party, PLRA, presidential candidate, by unidentified correspondent in Asuncion on 10 May—live or recorded]

[Text] [Laino] I arrived here, at the Central Electoral Board, about one hour ago, after I heard a very serious report. Electoral records should arrive in closed, sealed envelopes, but this has not happened. Arriving envelopes are open, and government supporters are exerting pressure to prevent the opposition from controlling the procedure. Dr. (?Civils), who is our representative, has been expelled and has been forbidden to enter the board. This has left us without any possibility to exercise control. On the other hand, we want to report that a vote count based on a sampling made at the board shows us two percentage points behind the government party. I believe this situation is creating several uncertainties and nervousness among those responsible for the board, who are government supporters.

[Correspondent] Will you try to go to the second floor?

[Laino] I just contacted a diplomat, and I will see whether I can talk with [name indistinct]. I am trying to talk with him. I will then go upstairs. I was told Guillermo Caballero Vargas has just arrived here. Consequently, we will meet with [word indistinct] to go upstairs to talk because this matter is far too serious.

Records Said Taken to Colorado's Office

PY1105010993 Asuncion RPC Television Network in Spanish 2351 GMT 10 May 93

[Excerpt] Serious charges have been pressed this afternoon in connection with procedures under way at the Central Electoral Board. Authentic Radical Liberal Party leaders have charged that the sealed envelopes containing the electoral records have been found open and that they are being taken to a National Republican Association [Colorado Party] office where they are totally modified before arriving at the board.

The irregularities might be so serious that they produced the victory of the Colorado candidate in Aregua, where the Colorado Party suffered a categorical defeat, they claimed. [passage omitted]

PLRA Trustee Explains Vote Counting Agreement

PY1105004493 Asuncion Radio Nanduti in Spanish 2343 GMT 10 May 93

[Text] [Reporter Luis Atilio] Let us listen to what Jorge Galli [trustee for the Authentic Radical Liberal Party—PLRA] has to explain to [PLRA Chairman] Juan Manuel Benitez Florentin on the meeting that just ended.

[Galli] The agreement we reached states that we will have the right to oversee the reception of ballot boxes through our representatives. We also are going to have representatives at places where the ballot boxes and envelopes will be opened, with the possibility of our representatives issuing notes on possible irregularities. These representatives also will be able to request the help of notaries in order to issue a note on the irregularities.

The third point refers to the establishment of a chronological work schedule—where and when our work begins and ends. Our work schedule will be from 0800 to 2000, for either the reception, control, or counting of votes, with intervention power for our representatives as the official records are presented.

[Unidentified person] Do you think an international observer also can be present there?

[Galli] Oh, I forgot to mention. The electoral prosecutor and the criminal prosecutor will be present. The international observers also were mentioned, and it would be nice if they could be present.

Caballero Remarks on 'Irregularities' of Electoral Records

PY1105000093 Asuncion Radio Nanduti in Spanish 2330 GMT 10 May 93

[Interview with Guillermo Caballero Vargas, National Encounter Alliance presidential candidate, by correspondent Julio Zamphiropolos in Asuncion on 10 May—live or recorded]

[Text] [Caballero] We came to see what is actually happening here, at the Central Electoral Board. Clearly, there are irregularities in the way electoral records are being handled. This should be done in full view, otherwise the entire process will be jeopardized. We would like to recognize a government supported by the people's will but will be forced to adopt a cautious attitude under these conditions. If there is evidence of attempts to fabricate results, we will strongly condemn it and refuse to recognize the election results.

[Zamphiropolos] What will you specifically ask for now?

[Caballero] I will not ask for anything. Dr. Marcelo Ugarte, who represents the National Encounter Alliance, is here. We will see what conclusions we can reach with the Central Electoral Board president so that the general vote count may be in full view and with full guarantees. Otherwise, the results cannot be accepted. What was done on 27 December and on 4 March will not work with us. They can do it among themselves, but it will not be tolerated at the national level under any circumstances.

Rodriguez on Carter's Visit, Elections, Vatican Trip

PY1005184593 Asuncion Radio Nanduti in Spanish 1630 GMT 10 May 93

[Interview with President Andres Rodriguez by several unidentified reporters upon leaving Government Palace in Asuncion on 10 May—recorded]

[Text] Here are remarks by the president of the Republic about his meeting with former U.S. President Jimmy Carter at Government Palace. President Rodriguez also commented on a trip he will take to the Vatican to meet Pope John Paul II:

[Begin recording] [Rodriguez in progress] ...just the former U.S. president who visited me. Former Costa Rican President Rodrigo Carazo and a senator (?from Canada) also attended the meeting. They are representatives of foreign organizations, personalities who came to observe the civic act conducted in our country yesterday. They told me that they are returning to their countries, probably tomorrow, taking pleasant memories of our country. They said they found the people hospitable, courteous, and polite.

Regarding the elections, they pointed out several times that the elections had been very well organized.

[Reporter] Will power be handed over normally?

[Rodriguez] I am more than sure that it will take place during a solemn ceremony in which I will hand over office to the citizen chosen by the people.

[Reporter] Will there be a transition cabinet [words indistinct] of the Republic?

[Rodriguez] Transition candidates?

[Reporter] No, a transition cabinet to learn about administrative problems.

[Rodriguez] No, they cannot participate in the administration before 15 August. We will have great satisfaction in telling them about our experience, about problems that they may have.

[Reporter] Have you planned any trip? Will Engineer Wasmosy go with you?

[Rodriguez] With whom?

[Reporter] With you. Have you accepted any invitation for a trip?

[Rodriguez] I have not planned any trip so far. I would like to thank the Holy Father in Rome for all the blessings bestowed not only upon me as president but on the entire Paraguayan people.

[Reporter] Would Engineer Wasmosy go with you?

[Rodriguez] I don't know.

[Reporter] When will this trip take place?

[Rodriguez] In July, maybe. I hope to do it, but I do not know whether it will be possible. I cannot promise anything. I simply wish it.

[Reporter] What did Mr. Carter say about the elections?

[Rodriguez] I have just commented on that. He told me about what he has observed. He said there has been respect and principle, that all voters have been very patient and waiting for hours in lines to cast their votes, as established by our Constitution.

[Reporter] He (?yesterday) regretted the closure of borders [words indistinct] Paraguayan people.

[Rodriguez] Honestly, he has not told me anything about the issue. I believe that, at first, borders were not closed. People entering the country simply had to show their documents. I believe that this was fair because how could we know what sort of people were entering the country in such an important day as the national election day?

I was watching television when a reporter asked a young man what was the name of his home town. He answered: Quyquyo. I wonder when he left Paraguay and where he acquired his accent, which is so different from that of Paraguayans. [end recording]

Election Candidates Discuss Meeting President Carter

PY1005182493 Asuncion Radio Nanduti in Spanish 1600 GMT 10 May 93

[Report by an unidentified correspondent on an interview with Domingo Laino, Authentic Radical Liberal Party (PLRA) presidential candidate, and Guillermo Caballero Vargas, National Encounter Alliance (EN) presidential candidate, after meeting former U.S. President Jimmy Carter at the Excelsior Hotel, in Asuncion]

[Text] [Correspondent] I spoke to Domingo Laino about this meeting:

[Begin recording] [Laino] It was a very interesting meeting. We discussed current and past developments. They informed us what they had observed. Of course, this was a private meeting, a very interesting meeting. President Carter is very sensitive to what is happening in Paraguay. He wants us to continue to strengthen the democratic system. He also wants Paraguay to continue to strengthen the basic principles of respect for human rights. It was a very interesting and illustrative meeting during which he explained his viewpoint—the viewpoint of someone with much U.S. political experience and, through the U.S. Presidency, a relationship with countries of the Third World, Africa, Asia, Latin America. He knows a lot about Paraguay. We also discussed the Armed Forces, the political situation, and the preliminary results that are being disclosed. It was a very important meeting.

[Correspondent] Did he say if the elections were clean?

[Laino] He will issue his report on whether the elections were clean probably after meeting President Andres Rodriguez. I believe he will congratulate the Paraguayan people for their magnificent cooperation in yesterday's election because no serious incidents were reported. I really believe the Paraguayan people behaved correctly during these national elections.

[Correspondent] Do you believe the partial vote results that favor the government candidate are correct?

[Laino] No. Only 14 percent had been counted by dawn today. I believe at that time we were in second place, just three or four points behind first. We are very anxious to learn the final results of the elections. [end recording]

[Correspondent] That was what Domingo Laino had to say after meeting Jimmy Carter. I will soon have Guillermo Caballero Vargas' comments on meeting Jimmy Carter this morning:

[Begin recording] [Caballero Vargas] During the meeting with Jimmy Carter, we assessed, in general, not just the development of the elections but also the development of the entire process and the irregularities that were detected throughout this process. We discussed what can be done to gradually establish a democratic system here that will be free of the type of incidents detected in these elections and thus give all citizens equal opportunities. There are no equal opportunities when the state supports a given candidate, there are no equal opportunities when a general goes around intimidating the people, and there are no equal opportunities when people do not have equal access and equal participation in organizing the elections—specifically when they do not have access to the Central Electoral Board and Regional Electoral Boards. There is no fair competition when, just a few

hours before the elections, people in many parts of the country still did not know where they are supposed to vote. As you well know, the ballot boxes were dispersed. In other words, there is a series of minor and major irregularities that must be corrected if we are thinking of establishing a democratic society in our country. This was what we discussed with President Carter. I think we must be optimistic. We cannot forget the fact that the opposition has obtained approximately 60 percent of the vote. This is more or less the tendency revealed so far; therefore, we believe we will play a very important role in monitoring the future government, through our representatives in Congress.

[Correspondent] Do you think that the PLRA and EN will establish a coalition within Congress?

[Caballero] To strengthen a true, sound, and clear democracy in our country we will always cooperate with all forces and, in this case, certainly with the PLRA.

[Correspondent] Finally, could you tell us what conclusions you reached with President Jimmy Carter. Can it be said that the level of fraud committed will not affect the election's results?

[Caballero] It is too early to say. What really moved President Carter and us was the degree of maturity shown by the people; the correct, good, and orderly way in which the people voted; the peaceful way in which they expressed and exercised their right to vote. Obviously, this is praiseworthy, and President Carter noticed this. He was happily surprised with the Paraguayan people's behavior during these elections. [end recording]

Carter News Conference, Remarks Noted

PY1105021493 Asuncion RPC Television Network in Spanish 2351 GMT 10 May 93

[Text] Former U.S. President Jimmy Carter, who is serving as an observer in our country, this afternoon held a news conference. He said the new government will have to take strong action to separate the military from the political process in our country.

Carter condemned the events at the Channel 13 transmitter station. He also criticized the intervention of General Lino Cesar Oviedo and military men in electoral matters.

[Begin unidentified female interpreter recording, in progress, with sporadic words by Carter in English heard in background] ...the election had been very close, with only one or two percentage points of difference between the leading candidates; this would have been crucial, or even an unsurmountable mistake, for properly discharging the duty of international observer.

Despite this, Saka completed its fast count in the evening, and since there was a substantial difference between the three candidates, it did not become an unsurmountable mistake.

We deeply lament the shootout at Channel 13. This was obviously an attempt to intimidate voters because they were being publicized [as heard]. Fortunately, there were no casualties, but this is a very serious mistake and it should not be allowed in the future. I hope the guilty ones will be found.

We are very much concerned about the border closure. This was a major violation of the Paraguayan Constitution. It was ironic that while international observers—even Russians and South Africans—were welcomed into the country, Paraguayans living in the country and who qualified as voters, were stopped at the border with Argentina, Uruguay [as heard], and Brazil. They were not allowed to enter the country and vote. We do not know how many of them there were. But whatever the number, it is a mistake. This decision, which was made by a judge, was later modified. However, it cast doubts on the integrity of the elections.

Throughout the process, the great reputation that Paraguay deserves has been seriously impaired and tarnished by the unacceptable intervention of the military in the political process. Since the beginning, Gen. Oviedo very clearly said that he would violate the Constitution and that he would engage, as a military commander, in the electoral process. He did this openly, with intimidating actions and statements. He said the Colorado Party and the military would jointly govern the country forever.

This would not have been a problem in other places, but in this country, with a history of a long dictatorship, it is a particularly serious affliction on the Paraguayan reputation.

In my country, the press did not emphasize that Paraguay was entering a new era of political opening, democracy, and freedom. The media said that a general was threatening to burst into the process. We talked a lot about this with the president-elect and with the three candidates, even with the current president.

We hope strong action will be taken to separate the military from the political process in Paraguay. [end recording]

Wasmosy Thanks Foreign Election Observers

PY1105022193 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 2352 GMT 10 May 93

[News conference held by Colorado Party presidential candidate Juan Carlos Wasmosy with national and foreign reporters; place not given—recorded]

[Text] [Wasmosy] I would like to take advantage of this opportunity, because some of you might be returning tomorrow, to thank you wholeheartedly for coming to our country to observe our electoral competition. This election showed our people, and all foreigners present,

that our people need only one opportunity and that the people are up to the challenge once this opportunity is granted to them.

Our people have given proof of civility and good behavior. Let us hope that this 9 May will become a landmark in our political history and that our people will not seek other means outside democracy to elect their authorities. I am grateful to all national and foreign journalists because you have done a great job. This job cannot be measured but it is felt.

Army Commander Assesses General Oviedo's Comments

PY1005210393 Asuncion ABC COLOR in Spanish 10 May 93 Special Supplement p 11

[Text] Army Commander Division General Pedro Concepcion de la Cruz Ocampos, before casting his vote at the Republica Federal de Alemania School yesterday, said that the Armed Forces-Colorado Party "concubinage" should "gradually be overcome through new authorities and a relationship to be established between the new government and the Armed Forces."

The Army commander added: "It is quite unlikely that the Armed Forces will continue to be involved in partisan activities" with this new process that is being implemented.

Gen. de la Cruz explained that the Constitution stipulates that an active military officer cannot have a political preference or option, but "within the Armed Forces we go by other rules such as being directly subordinated to the commander in chief, and receiving and fulfilling orders."

He added: "Therefore, I believe that an officer who does not fulfill orders or violates the rules cannot remain within the Armed Forces, regardless of his ideology. The country should be the Armed Forces' only party."

De la Cruz said that things cannot change overnight as some people expect but noted the Armed Forces's desire to become institutionalized.

He voiced certainty that the Armed Forces will maintain a good relationship with whoever is elected president of the Republic.

He stressed: "Dialogue and agreements should be the order of the day, seeking to fully strengthen the elected government."

Asked about the comment by General Lino Cesar Oviedo that the Colorado Party and the Armed Forces will co-govern the country for ever, De la Cruz said: "That is a strictly personal opinion. He was probably moved by euphoria, enthusiasm, and by his own character."

When we pointed out that Oviedo said he spoke on behalf of the Armed Forces, the commander answered: "Just as I am not authorized to speak on behalf of the Armed Forces, he cannot talk on behalf of the Armed Forces because he is a member and belongs to the Armed Forces."

Asked if he shares Gen. Oviedo's opinion, he answered: "He is a passionate, impulsive person, sometimes moved by euphoria due to his desire to put things in order and he probably went overboard, just because of his character."

Asked if, in his opinion, Oviedo went overboard with his comments, De la Cruz answered: "He probably got carried away by enthusiasm and may have involuntarily made some comments that should not be taken too seriously."

De la Cruz ended by saying: "I believe he will be the firmest pillar of the elected government, a vigorous defender who will strengthen the process. At this stage of events it would be useless and untimely to believe that prepotent attitudes can disrupt a harmonic coexistence of all Paraguayans."

Peru

MRTA Leader Nestor Serpa Reportedly Captured

PA1105125893 Lima Panamericana Television Network in Spanish 1200 GMT 11 May 93

[Text] Nestor Serpa Cartolini, a leader of the Tupac Amaru Revolutionary Movement [MRTA], has reportedly been captured in Alto Huayaga. Unconfirmed reports say that the most wanted criminal of the MRTA was captured during a clash with security forces. The clash took place on 8 May in the area of Yurac Yacu, San Martin Department. It is known that other high-ranking leaders of the MRTA were captured and others were killed during the clash.

Fujimori Interviewed on Military, Economy

PA0805211993 Lima Radio Programas del Peru Network in Spanish 1400 GMT 8 May 93

[Interview with President Fujimori by Dennis Vargas, program host; Mary Power, vice president of the Association of Foreign Correspondents; Guido Lombardi Elias, "Panorama" program host; and Arturo Salazar Larrain, former LA PRENSA director, at the Radio Programas studio in Lima on the "Saturday's Topics" program; with questions from Latin American Broadcasting Association, Solar Network, reporters Julio Cesar Camacho of Radio Caracas in Venezuela; Jorge Melo of Cadena Ecuador Radio in Ecuador; Juan Jose Hidalgo of Radio Panamericana in Bolivia; and Eduardo Lozano of Radio Cadena Nacional, RCN, in Colombia—live]

[Text] [Vargas] Good morning, ladies and gentlemen. Good morning, fellow Peruvians all over the country. Today, before getting started, the "Saturday's Topics" program would like to pay tribute on its ninth year to

those who are the sole reason for the existence of this program and for the efforts and sacrifices made to develop it. They are called our public, our audience who are with us every Saturday and every day during our 24-hour news programming. Friends from all over the country, allow me to make a brief statement. "Saturday's Topics" marks its ninth anniversary, nine years at the service of the nation, nine years at the service of the interests of the fatherland and Peruvians. In these past nine years, the "Saturday's Topics" program has modestly served to debate the most important topics in the country, debates that have led to laws being drafted during this program.

For example, the University Fund Law was signed during this program. The official agreements were made later at the ministry and the Fund became law the next day. Strikes that had been going on for two or three months were lifted during this program. We recall the strikes at the Social Security Institute and by teachers and the health sector. At the international level, "Saturday's Topics" also had an important role to play. We recall our direct broadcasts from Acapulco, Rome, Hong Kong, and Punta del Este. Today, we mark our ninth anniversary and we thank you for your patronage.

These past nine years have also had a noteworthy impact. Today, we have an exceptional guest. President Alberto Fujimori honors us with his presence. We are most thankful to him for his generosity and kindness in coming here to share with us these nine years, as well as to share the news and concerns the Peruvian people feel over developments that occupy our minds now. Mr. President, welcome to "Saturday's Topics," thank you for being here.

[Fujimori] Thank you and good morning. I join the ninth anniversary celebrations. I am sure you will have greater successes at the helm of this very important program, which shapes public opinion in the country.

[Vargas] Thank you for your words, Mr. President. The country must move on. History marches on. This week, many things have happened, making your appearance here much more important for the people of Peru. Friends, I want to introduce our panel to you. Our panel is made up of the following journalists: Mary Power, vice president of the Association of Foreign Correspondents, who comes on behalf of the international press, an important element right now; Guido Lombardi Elias, reporter of the "News in Detail" program, a member of our news staff, and anchorman of the "Panorama" program broadcast on television Channel 5; and Arturo Salazar Larrain, former LA PRENSA newspaper editor and a member of our news staff. We will have this interview with all of them. Mr. President, should we grab the bull by the horns?

[Fujimori] Glad to. I hope the microphones will take it. [laughter]

[Vargas] The program gets off to a good start and disposition. Let us talk about this very important development that took place during the early morning hours of 7 May, an event some may regard as anecdotal. Was there really a coup attempt, as many people said? Were you really startled at that moment? Where were you? Some say you left for an undisclosed location in the predawn hours. Later, others said you went to the Pentagonito [Army Headquarters]. What truly happened? The public wants to know how the president viewed this incident?

[Fujimori] Before I begin to answer your question and concern, I would like to make a brief comment. Many things happened, as you mentioned.

[Vargas] That is right, and we are going to touch on all of them.

[Fujimori] Of all the many things that happened, what has caught the most attention? The incident involving General Robles. Save for some exceptions, the media and the public also neglected to consider two developments that are more significant for the country than an anecdotal and personal incident involving a general. Those two significant developments were the arrest of Lucero Cumpa and the successful Paris Club negotiations. How can the developments that are significant for the country be sidelined in the face of incidents that strictly concern an individual or are anecdotal? We could even say these incidents are harmful to the country. I wanted to make this observation.

On the early morning hours of 7 May, I was in bed. I went to bed at midnight, something I never do [chuckles]. I did not get up until 0715. Normally, [chuckles] I go to sleep at 0200. That night there was nothing special, I wanted to rest, and I rested well.

[Vargas] You were never aware of anything?

[Fujimori] Not of what has happening in the street. I learned about it later. I am totally denying the reports that I left the Presidential Palace, that I was on watch, etcetera.

[Vargas] Our panel members are absolutely free to participate in the discussion and hit the president with all they have, let us say. Guido, go ahead.

[Lombardi] Thank you, Dennis. Good morning, Mr. President. It is a pleasure to be able to share this table with you and hear your answers. We are very pleased over the news that occurred this week. We have commented here with Dennis on the importance of the renegotiation of the Paris Club and the significance of the arrest of Lucero Cumpa.

[Vargas] That is correct.

[Fujimori] That is why I said with a few exceptions.

[Lombardi] Thank you, Mr. President.

[Fujimori] But look at the headlines.

[Lombardi] I do not think the letter by General Robles can be described as anecdotal and I do not think it was written for his personal benefit. It is a letter that, if its contents are true, should move public opinion. Very serious accusations are made in the letter on specific actions taken, not by the Army as an institution, but an Army sector in Peruvian civilian society. It concerns us to hear you call this letter anecdotal. Why do you think the letter by Gen. Robles is unimportant? It is no longer [words indistinct] leftists or opposition members making these accusations. It is now an active-duty Peruvian Army general making these serious charges.

[Fujimori] I will not answer directly the accusations by Gen. Robles. Instead, I will make some reflections. I believe this is the first time serious charges have been made against some Army members in the case of Dr. Febres, defense attorney of Abimael Guzman in the past, who was killed approximately seven years ago.

The following questions and hypotheses come to mind: Why did Gen. Robles conceal this fact for so long? We could speculate why, right. I wonder, was he afraid to report this crime? Some other deductions can be made from this. Was an Army general afraid of making a report such as the crime of Dr. Febres? In this case, I wonder if a general who is afraid to present a report on the murder of Dr. Febres can lead the Army? The Army is not a club of girls. It is an institution for men. This is the first hypothesis?

Did Gen. Robles keep this secret for so long, namely seven years, in order to use it later for extortion purposes? I think that this would be inappropriate from an officer. These are mere speculations.

I do not understand how, in less than 14 days, a major general with 33 years of military service can go from being a pro-General Hermoza officer to an anti-Hermoza officer or an officer opposed to congressional opposition to an officer favoring the opposition in Congress. This is what I do not understand.

This is why I believe that this silence of seven years is an anecdotal or, better said, inadmissible thing.

[Vargas] Mr. President, with respect to the same issue, as we have practically touched on the most difficult aspect of this matter, as we hoped to discuss the issue of Gen. Robles anyway, I insist on one aspect. For those who have read the eight-page manuscript by Gen. Robles, it certainly has some elements that should be investigated. For the purpose of the investigation, this manuscript cannot be disregarded out of hand.

Do you not think that despite the delay in presenting this report—which affects the credibility of Gen. Robles as a person, military officer, and a man—the information provided by Gen. Robles should be taken into account for the investigation. I do not believe this report is the result of a novel or Gen. Robles' deceitful imagination. Do you not think this should be taken into consideration for the investigation? Do you give this report any value at all?

[Fujimori] There are two aspects here. One is the case of the missing [professor and students at the university] in La Cantuta and the case refers to Dr. Febres....

[Vargas, interrupting] But the case of the engineers in Huaral was also mentioned; it caught my attention....

[Fujimori, interrupting] What engineers are you referring to?

[Vargas] Two engineers murdered in Huaral.

[Fujimori] I suppose you are talking about the Japanese engineers?

[Vargas] The members of the international cooperation team.

[Fujimori] Of the Japanese cooperation team? It would be completely incongruous to say members of the Army murdered Japanese engineers or Japanese cooperation team members. I repeat, there are two aspects. One is the case of La Cantuta or (Barrio Salto) and the other one the case of Dr. Febres and even the one on these Japanese engineers.

As for the first case, the one on La Cantuta—I also wonder about that myself because it is up in the air—General Robles either limited himself to copying the text of a false report or participated in drafting it.

[Vargas] It was presented to Congress?

[Fujimori] Yes. Those two cases are thus up in the air. Obviously, these cases must continue to be investigated until the reason for their disappearance is known. As for Dr. Febres' case, he is reportedly involved at least in covering it up. This murder is condemnable regardless of his actions as a lawyer. I think all these investigations must be intensified.

[Vargas] Mary Power, welcome and thank you for being here on this ninth anniversary of the "Saturday Topics" program to share this time with the president of the Republic. Good morning, Mary.

[Power] Good morning. I would also like to make two brief comments. My news agency has stressed the negotiations in Paris and the capture of Lucero Cumpa. In defense of young women, however, I want to say we at times can do courageous deeds too. [laughs]

[Fujimori] I do not doubt that [laughs] but I said that figuratively.

[Power] My question deals with the main problem. Many analysts think the current problem within the Army stems from an internal struggle between the so-called institutionalists, who think promotions should be based on the bylaws of each branch, and the officers, who

are loyal to you now that you are empowered to appoint as officers and their commanders.

Do you think there is such a struggle? To achieve a reconciliation with the Armed Forces, would you be willing to modify in one way or another those decrees that gave you additional power to make those appointments? Also, the Congress this week rejected or eliminated the constitutional provision that empowered the former Senate to ratify such appointments.

[Fujimori] Could you specifically mention the decrees you are referring to? Decrees that gave me more powers you said?

[Power] I do not have the exact name, but it was one of the secrets contained in the package of decrees on the....

[Fujimori, interrupting] Inviting officers to retire? Is that what you mean? Perhaps, you mean that.

[Power] Yes. The military service. I do not have the exact name.

[Fujimori] There really were no major changes on promotions and the status of active-duty officers. Before answering your question, I would like to make a distinction. You are talking about or, quote, differentiating, unquote, between two groups. Ones are the so-called supporters of the institutions, and the others loyal to President Alberto Fujimori. Allow me this explanation. Those who are loyal to the president are precisely those who respect the hierarchy and the command of the commander in chief of the Armed Forces. They are the true supporters of the institutions. The others are against the institutions. If you want to make a distinction as if there were two groups, you would have officers who are against the institutions, and those who support the institutions, loyal to the president.

Within that first group we have the ones who are not loyal, officers who are in retirement and comprise that little group headed by General Jaime Salinas, the man who at one time tried to reopen the Congress and return to the situation that existed on 4 April. The stances are very clear. In this respect, I think the Armed Forces have an institutional stance, respectful of the existing order. For that reason I cannot talk of me having an attitude in favor of reconciliation. No. We have a command, a military command. In this respect my leanings are toward the military.

[Vargas] Mr. President, do you feel like a soldier?

[Fujimori] When I am with the Armed Forces I feel like a soldier. It is in my nature. I believe I said here in this program that if I had not been a mathematician or an engineer I would have been a soldier. Regarding the clause eliminated in the Democratic Constituent Congress [CCD] on the confirmation of top officers, I think this is positive, and the top officers welcomed this. Confirmation by the Senate lent itself to political maneuvers, and political meddling is rather negative in the Armed Forces. Let us say the American Popular Revolutionary Alliance [APRA] held the majority, one then had to win the favor of the APRA people and knock on the door of every APRA leader. If the New Majority/Change 90 [C-90] people held the majority, one had to knock on their doors. This is really absurd, and truly constitutes a negative interference by politics into an institution that by its own nature must be untouched by the ebb and flow of politics.

For that reason, I support the clause not making the appointment of officers subject to confirmation by the Senate. Promotions must be made within each branch: the Army, Navy, National Police. That is done through an evaluation board.

[Vargas] If am not mistaken, Mary Power has tried to refer to the possibility of relieving General Nicolas de Bari Hermoza Rios, although you said he would stay on as army general commander until 1994 or 1995. Perhaps this could be a cause for concern? Mr. President, have you considered the possibility of relieving Gen Hermoza as Army Commander? According to many analysts, he has been causing you many difficulties, which could lead to a truly serious crisis in the Armed Forces. Do you intend to keep him until 1995, come what may? What will you do with adviser Vladimiro Montesinos, who has also been seriously questioned at Dincote [National Counterterrorism Directorate] and expected to move away from you for the country's good? What have you decided?

[Fujimori] Before making a decision to remove or ratify an individual, one must always make an evaluation. I make permanent evaluations of the various people who occupy important government posts. I think, logically, this evaluation must be made objectively; it must be based on the results of the institution that the person heads, such as Gen. Hermoza achievements.

It is necessary to determine whether or not he is acting honestly and efficiently and what the results of his office have been. We are not to pay any attention to whether or not he is anti-institutionalist, whether or not he pleases me. We are to observe the results of the Army and, in general, the Armed Forces—remember, he is joint chief of staff—in the greatest war Peru has ever fought. The results will be either good or poor. Let the people ask themselves what the performance has been in the pacification process. Are the main guerrilla leaders being captured? Each person should answer this question. Has progress been made in this struggle? Is there not a greater feeling of security now? Are the Shining Path and MRTA [Tupac Amaru Revolutionary Movement] coming apart at the seams? Are they not weakening? Are these not concrete results? Are they chance results? Or is this part of a strategy? And who is the leader? Gen. Hermoza.

Once one makes this objective assessment, one wonders: Is it necessary to relieve him? Or, should Gen. Hermoza remain in his post as joint chief of staff and finish eradicating the Shining Path and MRTA? I have made

this evaluation. My conclusion is this: No. [as heard] The country has clearly entered a pacification course. Who is leading? Gen. Hermoza, under my instructions. I hereby ratify my trust in him. What would have happened if the leader had been a hesitating person of dubious behavior? The country would plunge into the abyss, as it has in the past 11 years.

[Vargas] One single remark before Arturo Salazar Larrain enters the conversation. I understand the objective is to point out both positive and the negative aspects. You have underlined the positive. Everything you have said cannot be refuted. But, what is the negative aspect? You have not spoken about human rights, an issue still questioned by the United States. A further report is expected at the Congress. Gen. Robles has threatened to go to Washington and report to the U.S. Congress everything that has been said in the handwritten note I am holding. Are you not concerned about this? What errors are you prepared to admit in the manner the fight has been conducted? This would be the objective. Please forgive me if I underline the need to mention the other side of the coin also.

[Fujimori] The other side of the coin is those unproven charges of human rights violations. These accusations, which have not been proven, have been presented against Gen. Hermoza precisely at the time of the greatest success in the fight against terrorism. Several interests are at stake here. We cannot deny there have been human rights violations. But why accuse Gen. Hermoza? This is my question. There are surely other interests at play against the country.

Vargas] Arturo Salazar Larrain.

[Salazar] Mr. President, I have been taking notes on your statements but there is still a blank area. You said you slept from 0000 to 0700 on Friday, and you do not know what happened on the streets. My question is: Do you know what happened on the streets—what really happened on the streets? That is the first question. The second question is this: You said last week abounded in events—Gen. Robles, the Paris Club, and Lucero Cumpa. You forgot the Latin American Business Advisory Center [CLAE]. I would like to ask about the CLAE. Do you not think this is an atypical case in the finance sector? This is a truly exceptional case. Just imagine: The people who have reportedly been embezzled defend the alleged embezzler. Don't you think this is a truly exceptional and singular case in our country? Don't you think the Superintendency of Banks excessively assumed its role as guardian of the Peruvians? It appears the Peruvians have no power or control over their assets—in this case deposits. Do you not think it would be more rational for the Superintendency of Banks to ask CLAE account holders to pledge they will demand nothing, thus protecting the State's responsibility in this concern? Would this not have been a better option, instead of intervening in the CLAE and really causing damage to a firmly established organization?

[Fujimori] I see you are definitely pro-CLAE. [laughter in background] Referring to your first question, in fact, tighter control was implemented in the city. Normal controls at the palace.... [pauses] there are four or six armored personnel carriers. It depends on what day it is. Sometimes there are as many as eight. I believe there were eight on that night but it did not strike me as unusual. I learned about the preventive surveillance implemented at certain embassies. I did not know special surveillance had been implemented at the Venezuelan Embassy.

Referring to CLAE, it is certainly an atypical case—atypical when we talk about the so-called CLAE ... estors' reaction. This does not mean [Luis] Cortavarria, superintendent of banks and insurance, exceeded his authority or erred, from a legal and preventive viewpoint. I am pleased the superintendent adopted such measures and I refer to the times when we had cooperatives, mutual fund companies, and Refisa [expansion unknown]. Cooperative members, mutual fund company shareholders, and Refisa account holders know very well that, if there had been a superintendent such as Mr. Cortavarria, perhaps we would not be deploring the enormous losses suffered by those account holders. The intervention of the Superintendency of Banks has been timely because $34 million have been found. There are other investments so we can breathe, but if these resources had not been found, it would have been necessary to adopt emergency measures. I do not know what kind of measures they would be according to the law.

[Salazar] That is what I was talking about.

[Fujimori] However, the measure was implemented in a timely manner.

[Salazar] That is what I am talking about.

[Fujimori] That should have happened with Refisa and all the cooperatives.

[Salazar] The account holder's or depositor's interests should have been seized. But, what happens when the account-holder or depositor does not want to have his funds seized?

[Fujimori] The superintendent has.... [pauses] a mechanism; a law....

[Salazar, interrupting] This is the dilemma.

[Fujimori] No. The dilemma is not whether or not to fulfill the law. We are here to impose order in the country. There is a law that has been approved, and which no one has questioned, that establishes that the superintendent has the duty to fulfill those duties.

What would have happened, in the hypothetical case—hypothetical, I said—that the CLAE had collapsed and the superintendent had not intervened? According to the

law, the responsibility would fall totally on him and the, no longer unexpected, reaction would have been against the superintendent.

I believe that the fact that there has been an unexpected reaction, I repeat, does not necessarily mean that Mr. Cortavarria has made a mistake.

[Salazar] With this intervention, has the CLAE been damaged? What about the account holders or depositors?

[Fujimori] No. I believe the basic measures were adopted to prevent any damage. When is damage caused to a financial institution, which may be under investigation? When panic strikes. And panic strikes when big investors withdraw their money. I am not referring to those who have $1,000 or $10,000, but to those who have $1 million or $5 million.

[Salazar] Are there many of those?

[Fujimori] I do not know because we do not have much information about the CLAE.

When that occurs, then there is a collapse. And, that collapse is precisely what we want to avoid.

[Lombardi] Mr. President, since we have entered the economic topic thanks to the question asked by Mr. Arturo Salazar, even if it is in the field of the semi-informal economy, I would like to remind you that approximately 70 days ago I asked you a question on what you expected from Economy Minister Camet over the next 90 days, and you answered, very emphatically, that what you wanted, over those 90 days, was a proper negotiation with the Paris Club and a further success in the struggle against inflation.

I would now like to ask you whether you can tell Minister Camet he has done a good job. Do you believe the terms under which the negotiations have been undertaken at the Paris Club are proper? And, do you believe we are still succeeding in the struggle against inflation?

[Fujimori] An inflation rate of 4.0 [percent] or 4.5 [percent] is not totally satisfactory and, in fact, it exceeds our economic program a little. However, that does not mean Minister Camet is not succeeding in guiding the economic program. There are circumstances that do not allow us to reach our goals. But, in general terms, I can say things are going well.

In the negotiations with the Paris Club and the IMF, I believe Minister Camet has had and has displayed a very special ability to knock on those organizations' doors and show them the Peruvian situation, present to them the Peruvian financial proposals, and attain the set goals.

For example, regarding the Paris Club, I will give you some numbers regarding the significance of this.

I would like to make an aside: Precisely, on the night of 7 May—just in case, I went to sleep at midnight [laughter] to be ready for this program—I was talking to my two children, Kenji and Sachi, the two younger ones; they asked me: Daddy, what is the Paris Club? How much does Peru owe? How much interest must we pay? I explained to them that the Paris Club is the association of countries that gives credit to the debtor countries in general, which, in the case of Peru and in the case of most countries, is formed by the United States, Japan, Germany, France, and so on—all the developed countries—and which meets periodically by request of the debtor countries or by convocation by the Paris Club.

And how much does Peru owe? Twenty-two billion dollars. What is our population? There are 22 million Peruvians. Oh! Then we owe $1,000 per person, young or old? Yes, $1,000 per person. When Peruvians are born, they already owe $1,000 per person. And where has all that money gone? Well, some of it has been spent on important projects such as the oil pipeline. Peru spent $300 million on the pipeline but, since it stopped paying its debt, it now owes $1 billion. It was also used to purchase some boats. Oh, the boats we see when we go fishing at San Lorenzo Island. Yes, those boats. The Mantaro and the Pachitea. Kenji then asks: How much do we owe? Seventy million dollars. I tell him: The boat never sailed a single mile. It never got to its port of destination.

Referring to Delco and AIG [expansions unknown] cases—this was my own explanation—I tell him: How could Delco be valued between $30 million and $40 million, before the expropriation, even though it was insured for $150 million? Then Alan Garcia's administration expropriated it, meaning an enterprise which had an estimated value of between $30 million and $40 million, but insured for $150 million.

This was just a chat with my boys but the question immediately followed: Ah, then the insurance company paid Delco. Yes, I said. The insurance company paid Delco $150 million. Then Peru must pay the insurance company $150 million? Yes. Unfortunately, it must pay that amount.

Economy Minister Camet was precisely the person who handled the negotiation so we could be able to clean up that stupidity. Well, he then asked an interesting question. I am not a doting parent, in case you wondered. [Lombardi chuckles] Nevertheless, this is the kind of question children ask: How much do we, the Peruvians, have to pay in interest per day? Well, I said, we owe $22 billion. What is the interest rate? That can be calculated at an average 7 or 8 percent per year because we are dealing with low rates. Let us sit down and calculate the amount. How much is 7 or 8 percent of approximately $1.6 billion? I see. You must divide that between 365 days. How much did you get in interests per day? $5 million—in interest only—per day. That is the burden we have received. The great question is: Where has all that money gone?

We continue our chat. [Fujimori chuckles] I mention this because, even though these questions have been asked by children....

[Lombardi, interrupting] No, they allowed an extraordinary explanation, Mr. President.

[Fujimori] Listen to this question: How much of our debt with the Paris Club could we pay in a year? We had already made some calculations with certain technicians at the palace. According to our budget and revenues, it could be $330 million—let us say $360 million to facilitate our calculations—per year. This means we will have to pay the Paris Club $1 million per day. No?

We have managed to negotiate things so that—instead of paying $3 million per day, as the Paris Club deadlines stated—we will pay $415 million in 1993; $349 million in 1994; and $399 million in 1995. These sums apparently exceed our budget estimates a little bit—an average $50 million or $60 million per year—but this is compensated by the fact we have alleviated the burden.

I will now answer your question, Mr. Lombardi. Minister Camet has skillfully managed to ease the burden. Instead of having to pay $3.1 billion over the next three years, we have rescheduled the payments. In other words, we have deferred the amount of $1.926 billion—almost $2 billion—to the long term. We will only have to pay $1.163 billion in the next three years.

The Paris Club has made special concessions, exceptional concessions, the likes of which have never been given to another country. This exceptional help amounts to approximately $374 million. This type of concession has never been given to another country before, not even to the African nation facing the worst problems. Therefore, all I have are words of praise for Minister Camet's negotiating ability. He has displayed this ability not only at the Paris Club, but also at the IMF and when he broached human rights issues and other related topics.

[Vargas] Mr. President, however, despite Minister Camet's ability, only time will tell success at the Paris Club, we must also take a look at our internal front. What is happening on the internal front? Peru continues to suffer the repercussions of the recession. The recession continues to punish Peruvians. There is nothing happening to make us hope that the desired foreign investments will occur shortly, nor is there an economic reactivation to change the current situation. Recession continues to impact the poorer sectors of the country. Hunger and misery are evident. We cannot deny this; we cannot help but see it. The social support plan is doing nothing. What is happening, Mr. President?

[Fujimori] Thank you. Excuse me, I am going to take a drink of water.

[Vargas] Yes. This is Saturday's Topics. Today's guest is President Alberto Fujimori.

[Fujimori] You said the following phrase—I jotted it down—continue to suffer the repercussions of the recession. I would prefer to say: continue to suffer the repercussions of decades of mismanagement, of decades of poor public administration, of mismanagement of state resources, of the resources of the people that have been squandered on things like the ones I have already mentioned and that have resulted in this $22 billion debt.

How can we avoid some extent of recession when instead of taking from our economy the $5 million a month [corrects himself], $5 million a day—which was every government's commitment—we must take $1 million a day if we do not seek the stabilization of our economy? [sentence as heard]

In these past two and a half years noticeable changes have been made. We have cleaned up our economy. We have sought normalization in our relations with the international financial community. This has represented an undeniable cost for us. However, this has been necessary in our work toward several goals. One of these goals is a climate of trust that will promote foreign investment in our country. Some foreign investment has been made. However, a $50 million investment at this time will not yield an immediate positive effect; the effect of this investment will not be noticeable in three, five, or six months. Foreign investment, especially foreign investment being made by those who envision long-term plans, takes time to mature. And those foreign investments are being made.

Are we going into a break?

[Vargas] No, no, no. Please pardon me.

[Fujimori] These are important investments. I would say that in the past eight months approximately $200 million in foreign investments have been made in the country. The reactivation can't be artificial or automatic; it's a process.

[Vargas] What about the tax on assets?

[Fujimori] Last night I visited the National Association of Industries and was told about this. They talked to me about this. [chuckles]

[Vargas] Mr. President, we will have plenty of time to talk about the assets, taxes on enterprises, and so many other things that are still pending for us to talk about with you as this is a moment to analyze the problems of Peru; and not only to analyze and ask about them, but also to provide answers. You are a man who must answer, more than answer, as president of the Republic.

Therefore, Mr. President, at this moment I invite you to connect, for 24 minutes, with the Latin American continent. At this instant we begin the special program of the Solar [Latin American Broadcasting Association] newscast and we immediately connect with our associates of the Solar system.

[Unidentified announcer] Solar presents the Solar newscast. The network of networks. Formed by: Radio Panamericana of Bolivia, Radio Cadena Nacional of Colombia, Radio Quito and Ecuador Radio of Ecuador, Radio Programas del Peru [of Peru], and Radio Rumbos of Venezuela.

[Vargas] Good day Latin America. Special for the Solar newscast, we are scheduled to discuss the topic of the borders as a vehicle for integration and development.

The world's countries today, as opposed to the past, seek to unite to form solid economic blocs to bolster joint development. Isolation has passed on to history and, instead, what is promoted today, is convergence, rapprochement, and society. Furthermore, this works; we have the EEC, the Pacific Basin; in America we have the Group of Three [Mexico, Colombia, and Venezuela], the Group of Eight, Mercosur [Southern Cone Common Market], the Andean Group of the Cartagena Agreement. We could mention a thousand examples of integration, rapprochement, and association.

We would like to know how we could improve our borders through understanding among neighboring countries.

At this moment the participation of our associates begins and we inform them, from Lima, that today we have a special guest. On this, the ninth anniversary of the "Saturday Topics" program of Radio Programas del Peru—member and associate of Solar—our guest is Alberto Fujimori, president of the Republic of Peru, with whom we will share these minutes to discuss this topic and others which our colleagues of the Latin American area may deem appropriate.

We salute Julio Cesar Camacho of Radio Caracas. Julio Cesar welcome to the Solar Network special, Peru and the president are listening to you.

[Camacho] Thank you very much Dennis. Regards to Peru and all the listeners in America. My respects to President Fujimori. Good day Mr. President.

[Fujimori] Good day. Pleased to listen to you.

[Camacho] From Caracas, Venezuela, Radio Caracas, Radio Red Nacional de Noticias, and the stations that form part of Informe RCR network, we salute you.

The first proposal regarding the borders and Latin American integration has a problem: Venezuela and Peru do not have diplomatic relations; and Venezuela has just stated, through Foreign Minister Fernando Ochoa Antich, that it has already made the first attempt at reestablishing these relations. In fact, during the meeting of the Andean Group, this possibility was proposed to Peru and, apparently, as Foreign Minister Ochoa said, Peru displayed no interest. Therefore, Venezuela is not interested either. However, I have the impression that there is a door open.

President Fujimori, what is your point of view in light of these latest events?

[Fujimori] Peru has assumed a position, regarding its internal policies, that has been understood by the peoples and misunderstood by some governments. This position was assumed strictly for the benefit of Peru's national and democratic interests. We are still on that path.

The break in relations by Venezuela was really regrettable, we are very sorry about it, but that did not distance us from the Venezuelan people.

Peru is trying, with great efforts, many difficulties, and—without false conceit—with great success to advance on this path we have set for ourselves and also to attain our reintegration into the international [financial] community.

We have taken the first step, achieved the first step thanks to the understanding of the countries that form the Rio Group, and we are fully reincorporated, and we expect to continue taking steps. I am very cautious in that sense and in all areas.

[Vargas] Very well. A question from Julio Cesar Camacho in Caracas to conclude Venezuelan participation.

[Camacho] Thank you, Dennis. Mr. President, to conclude, does Peru, meaning your administration, intend to restore diplomatic relations with Venezuela as soon as possible?

[Fujimori] We are, of course, willing to renew diplomatic ties with Venezuela. Just as the Venezuelan Government evaluated the situation based on developments in Peru, the Peruvian Government also has the right to evaluate those bilateral relations. I believe our evaluations should not be made hastily as they were hastily done—forgive me for my frankness—by your government. We make serious evaluations.

[Vargas] Well, thank you very much, Julio Cesar Camacho of Radio Caracas, the largest radio network in Venezuela. We contact the largest radio network in Ecuador—Radio Quito, Ecuador radio. Jorge Melo, good morning. All of Peru and the president of the Republic are listening.

[Melo] An affectionate greeting to President Alberto Fujimori. We had the opportunity to accompany the dignified leader of Peru on the two occasions he visited Ecuador. Mr. President, how can our borders truly attain their integration when there prevails serious territorial problems between Ecuador and Peru?

[Fujimori] We are working on that. I believe all the Latin American presidents.... [pauses] I have personally strived to achieve integration and you, Ecuadoran friends, can vouch for that. I have personally taken what was considered a daring step even though I was criticized in my country—I overcame the mistrust that prevailed

between Peru and Ecuador. I think.... [pauses] that was an essential step in the search for a much hoped for integration.

I am a pragmatic man and I seek and face directly situations which prevent the achievement of common goals. The visit to Ecuador was an essential step. I personally sought the visit to clear the atmosphere of mistrust and the first important step was thus taken. The road between the Peruvian and Ecuadoran people is nothing other than a road of friendship and integration, and the search for common interests.

[Vargas] Another question from Jorge Melo in Ecuador.

[Melo] If this is the first step, how many more must be taken to achieve a satisfactory solution which benefits the two countries' interests?

[Fujimori] Excuse me?

[Vargas] Jorge Melo, repeat your question. Please repeat it. Jorge?

[Melo] Dennis?

[Vargas] Yes. Repeat your question.

[Melo] I asked the president that, once the first step was taken, how many more steps must be taken to achieve a solution that favors the two countries?

[Fujimori] To answer your question, the goal we seek is integration. We will take as many steps as necessary precisely so that integration is achieved in a realistic and beneficial way for the two countries. Peru presented 37 proposals following my visit to Ecuador. I believe those 37 steps could be taken quickly.

[Vargas] Very well. Our thanks to Jorge Melo of Radio Quito, Ecuador Radio. It is now Bolivia's turn. Radio Panamericana, the most important radio network in Bolivia, with Juan Jose Hidalgo. Good morning, Juan Jose.

[Hidalgo] Good morning, Dennis. Good morning to the Peruvian president. In Bolivia, we have been following closely the military crisis in Peru. We recently heard judgment passed on one of the governments that violated human rights. The Latin American Society is in the middle of a democratic construction process. Peru is an isolated instance, but this is small consolation because it shows what could happen in other countries if some problems are not solved in a timely manner. I would like President Fujimori to answer whether or not he feels that he enjoys only the Armed Forces' support and, consequently, is the Armed Forces' prisoner. In other words, does his fate depend on the Armed Forces?

[Fujimori] I would rather not make my own assessment on this matter, but I have a NEWSWEEK issue here, which says on its cover: The Fujimori Phenomenon: Anti-Politics Has Worked in Peru So Far. What does this mean? This means that Peru's policy has done well in Peru so far. This presupposes a good relationship with the Armed Forces, otherwise, you can imagine how things would be. Pacification is in progress. So, does the reinstatement of Peru's economy into the financial community? There is marked progress. From the penultimate country in the world regarding risks and calamities, we have moved to a front line, attention-arresting position. So much so that I was warmly received in La Paz and Cochabamba—a dear memory.

[Vargas] It's Hidalgo's turn to ask.

[Hidalgo] Mr. President, regarding the Peru-Bolivia relations, how are the Ilo agreements being implemented? Has there been any substantial progress?

[Fujimori] Apparently, there has been a certain slowness, on the part of Peru, in bidding for the management of the port of Ilo. I wish to clarify, however, that this is really not the case. What has been missing from the bid was a study, to be conducted by an international port assessment corporation, so the bid for the administration can attract the largest possible number of interested enterprises. We estimate this study to be done in about three more weeks, then we can accept bids. I have talked this matter over with President Paz Zamora and we agreed to work this way.

[Vargas] Thanks to Juan Jose Hidalgo and Radio Panamericana in Bolivia. Now it will be Colombia's turn. Radio Cadena Nacional, Colombia's leading radio network, is now linked with us. Good morning, Eduardo Lozano, of the special Informativo Solar newscast. Here is the Peruvian president, who will answer you.

[Lozano] Thank you, Dennis. That was most kind. Good morning, President Fujimori. We are honored by his participation in this special Saturday program of the Solar System. The subject proposed for today deals with borders. There are territorial, scientific, diplomatic, and informative borders. Mr. President, Peru has been in news this weekend. We are very concerned in Colombia when coup attempts are reported. We are happy to have you with us this Saturday morning. Can you tell us what happened, whether or not Gen. Rodolfo Robles truly attempted to overthrow your government? Welcome, Mr. President.

[Fujimori] Good morning. I will answer your question flatly. There was no attempted coup. I have just said that I was sleeping like a log from 0000, something I do not usually do, until 0715.

[Vargas] Eduardo Lozano will now ask a question.

[Lozano] An international news agency reported that when Gen. Robles sought asylum he made charges of human rights violations. He has mentioned a Mr. Montecinos, Vladimiro Montecinos and other people in the government who reportedly are violating human rights. For the Colombian people to have more information, would you expand on this? What charges did he make? What is behind all this, Mr. President?

[Fujimori] I have just said it. These were charges made by a general who remained silent for seven years after the coldblooded murder of a lawyer. We are not talking about charges we have all heard about and which have been written up, we are talking about a crime committed against a so-called Dr. Febres. I have just commented on this program on why this general kept this murder hidden for so long. I have not answered the question. I have asked two questions: Was he afraid? Why is a division general in the Peruvian Army afraid? He is a general with enough intelligence. Can he be afraid? If he kept these crimes silent for so long—as I said earlier this crime occurred seven years ago—why did he keep silent for so long? Was he planning to use this information for extortion purposes? These are the questions that have come up following his charges. These charges must be investigated one way or another.

[Vargas] Thanks to Juan Jose Hidalgo of Radio Panamericana in Bolivia and Eduardo Lozano from RCN in Colombia. Unless Eduardo wishes to ask another question, we will end the link up. Eduardo in Santa Fe de Bogota, do you have another question?

[Lozano] Yes Dennis, I would like to ask President Fujimori one last question, this one on borders. Along the northern sector of Peru and the southern sector of Colombia there are reports that guerrillas—the Peruvian Shining Path and the Colombian Revolutionary Armed Forces of Colombia and the Army of National Liberation—control the area. What measures has the Peruvian Government taken to control public order in that area? I have heard that there are many drug traffickers in the area as well.

[Fujimori] We are trying to establish a greater presence of government authorities, the Armed Forces in particular, in that area. To achieve this we are building airstrips in the area. This is an important matter for the two countries. We must keep drug trafficking from making progress. In the case of the terrorists, we must stop them.

You have asked me several questions on human rights violations. I believe that other aspects we are seeing in this struggle to attain peace must also be mentioned. We cannot deny that there have been human rights violations from the very beginning of Shining Path activities. However, in my country—and I wish to add that it is no longer the country where the most attacks are carried out or the most dangerous in Latin America—we are making great progress in the struggle against terrorism. I would say that 98 percent, and not 95 percent, of the guerrilla leadership is now in jail and serving life sentences. All this has been possible because we implemented an efficient strategy led by Gen. Nicolas Hermoza Rios, Army commander and president of the Joint Command. With this government strategy implemented by Gen. Hermoza and the Armed Forces we are making this noticeable progress.

There is talk about Mr. Vladimiro Montecinos. He works for the National Intelligence Service [SIN]. Our SIN is not a pretty picture on the wall, it was in the past. In the past it was a place to go off on a binge [francachelas]. It is now a real intelligence service and it works. In fact, it works so well that most of the Shining Path and MRTA leaders have been caught alive and unscathed. We will continue to work along those lines, strengthening the intelligence service. All those officials work loyally for the country, to achieve peace in the country. This is a form of enforcing respect for human rights through intelligence work. With due modesty, I believe Peru can show all the countries of the world how to struggle against terrorism.

Remember, Colombian friends, Peru's condition two and one-half years ago? It was a prostrated country, threatened and harassed by terrorists; now it is a safe country, where the people have confidence. Important foreign investors come here precisely because terrorism is being defeated. The defeat of terrorism is being achieved thanks to the strategy of the Armed Forces and the National Police of establishing a rapport with the people and respecting human rights with a new vision toward development, instead of the traditional vision that almost left us prostrate. I believe Peru can demonstrate a lot in this regard, and we will do it with pride Thank you.

[Vargas] Thank you, Eduardo Lozano of RCN in Colombia. Thank you, Latin American friends. Mr. President, you have been heard by 100 million Latin Americans. Latin American friends, thank you for joining us. This is the end of the special Solar segment, but "Saturday's Topics" continues with the president of Peru.

The Solar segment is over and we now continue with "Saturday's Topics." The last participant....[pauses] we will resume our debate, our dialogue. There is a lot to discuss, many things to discuss. In fact, we were discussing economic issues. We are interested in the reactivation issue.

[Lombardi] The president was telling us about his visit to the National Association of Industries [SNI] to discuss the 2 percent tax.

[Vargas] We will now continue with President Fujimori's participation. Let us discuss what happened at the SNI.

[Fujimori] The 2 percent tax on assets is placing a very heavy burden on businessmen and industrialists. I must admit this is a very heavy burden, even fatal for some businesses. The 2 percent tax applies to inventories, so if businesses have stock they have to pay the tax. The country is in an emergency situation and is undergoing reconstruction. I have just explained the nature of the load handed down to us—$22 billion. We are bearing the consequences of decades of poor management. This is the suggestion I made at SNI. Let the industrialists bear this burden, as well as other taxes. The workers are also making their contribution through their low salaries and

the unemployment rate. Teachers and nurses earn low salaries. The salaries of Armed Forces officers, as well as police, are inconsistent with the importance of their positions. This also is true for university professors. In general, all of us must bear this burden, there are no exceptions.

[Vargas] President, what comes first, the egg or the chicken? The state or productivity?

[Fujimori] It is impossible to determine which of the two comes first here, although Peru comes first, of course. We must solve all these emergency problems first, and everyone must contribute his share. On 7 May, I made a number of visits. This was no mere chance. I went to two poor neighborhoods in the morning. One is located in Pamplona Alta, the other in Nuevo Progreso, Quicoyo, in the capital's south. These are areas where the poor really suffer. I was at SNI in the evening. In both places I found the people were making adjustments, but they were also optimistic, as well as confident and determined to help in the reconstruction of the country. We must find a balance. In one place, we had to explain the reason for these taxes and burdens, which we will try to alleviate as much as possible. At the other place, we have not placed any burdens, but we have tried to provide solutions by allocating resources. Now, I will refer to the previous question on social support.

[Vargas] Does the government have resources or will they come?

[Fujimori] No, we must produce our own resources from our own economic system. We are doing it. I mentioned the 7 May visit to illustrate a typical situation. Those people live on sand dunes. My own car bogged down several times. The first thing one thinks....

[Vargas, interrupting] I remember your car bogged down there several times.

[Fujimori] How can a water truck take water to those poor people? The Army engineers accompanied me to draft a plan to cover all those roads with gravel. Of course, this costs money, but it comes from the Treasury, to which everyone of us, including businessmen, contributes. We also intend to create certain types of jobs, which will be remunerated with food. This is a comprehensive program, not an isolated effort. At this time, there is a seasonal crop in the sierra. We must pacify the sierra by developing it, with the help of the Armed Forces and the roads they build. We must invest money and resources in agriculture. The government is buying this seasonal crop. The purchase can amount to as much as $10 million a month and the seasonal products can be sent to poor neighborhoods in exchange for a contribution of, what could we say, five days of work a month. I have talked about this program to the people directly and they are quite willing to cooperate.

[Vargas] Mr. President, you have broached an interesting topic. The topic of the rural area and agriculture. You are an agronomist, as well as a mathematician. Many expected that as president you would be more in touch with the rural area because of your profession. This, however, does not seem to be the case. You are more identified with mathematics and now, with politics, than you are with the rural area and agriculture. What has happened, Sir? The rural area continues to suffer the consequences of neglect. It has been declared in a state of emergency until 1995, but there are no concrete actions for the mentioned area. How are you going to use your profession to best attack the problems in this area?

[Fujimori] Could you please give me some examples of rural area abandonment to illustrate for the people listening to this program?

[Vargas] I am going to talk to you about the peasants in the so-called Andean Trapezium [an area in southeast Peru considered the most backward and poverty-stricken in the country] or in the Andean area. Those peasants do not have seeds, technical support, or machinery. Their situation is easily observable. I beg your pardon?

[Unidentified speaker] [words indistinct]

[Vargas] Right. They also do not have credit, but this is a separate topic. Furthermore, the Agrarian Bank has been closed and the rural trusts are not operating. There is no credit. What can a peasant do, besides having desire and goodwill, without credit?

[Fujimori] My friend, Dennis Vargas, I thought you had visited your home area in Cuzco and seen the potato crop surplus....

[Vargas, interrupting] Mr. President, I publicly invite you to visit my home town, Mamara. It is 3,400 meters above sea level and you can raise your hand and touch the sky from there....

[Fujimori, interrupting] Where is it? In what department is it located?

[Vargas] In Apurimac Department, bordering Cuzco.

[Fujimori] Close to what area?

[Vargas] It is in Grau Province.

[Fujimori] If it is in the area between Apurimac and Cuzco, we have inaugurated the (Cunjac) bridge....

[Vargas, interrupting] No, Cunjac is [words indistinct] at the other end of the border. Do you accept my invitation to go to Mamara?

[Fujimori] Not so hastily.

[Vargas] We will coordinate it later.

[Fujimori] There are 5,000 towns in Peru. I have visited Avancay and Andaguila....

[Vargas] [words indistinct] Avancay is a city compared to Mamara.

[Fujimori] Anyway, I have been in several other towns. In each area, with the exception of the ones that suffered heavy losses due to the weather, there is a surplus production of potatoes, barley, quinoa, and beans, for example. Why? Because in one way or another, the peasants have received seeds. The seeds, of course, have not been entirely provided by the government.

We have managed, despite the disappearance of the Agrarian Bank, which was fortunately liquidated because it was a bottomless pit. It wasted $500 million and not even 1 million went to the needy peasants. Now, it is said that the peasants have no credit. There has never been credit for the poor peasants and communities. We have surplus crops currently. What is the government doing? It has established a program to purchase the crops. The program did not exist before either. We recently approved a special supreme decree to buy 10,000 tons of rice. Can you imagine? There are 10,000 tons of rice. This means rice production has been good. We will also accept other products such as 10,000 tons of potatoes and we can easily increase the amount to 30,000 tons. A question pops up immediately. What are we going to do with the tons of potatoes and rice. We will send them, precisely, to the most needy areas. It is a way of injecting money into rural areas, while supporting low-income people. To be sure, this requires a large logistical effort and very strict handling of the money. This is the first time something like this will be done at such a large scale, and I believe it will be very successful. The injection of money into rural areas will in fact contribute to the development of the Andean Trapezium. Not long ago, I held a meeting with representatives of micro- and small-scale businessmen so they could show me their products, as the state is the largest buyer. What the state must do during this emergency transition period is to make purchases at the competitive prices these businessmen can charge for their products.

[Vargas] [Words indistinct].

[Fujimori] Sure. By way of example, they produce large quantities of flour, barley, and corn semolina. These businessmen can process large quantities of these products, helping us substitute imported milk powder. We spend $50 million on milk imports. Why not inject some of that $50 million into rural areas, by making direct purchases of at least $25 million? Can you imagine what rural areas could do with that $25 million? Their situation would change completely. Some say there is no technical support or machinery. We bought 3,000 25- and 50-horse power tractors. To be sure, they are not to be given away but distributed with liberal payment facilities that do not entail a great financial burden. These tractors are to be purchased at the lowest prices registered in the....

[Vargas, interrupting] In the market?

[Fujimori] In the market, and in the history of this sort of technical support.

[Vargas] Now it is Mary Power's turn.

[Fujimori] You finally get around to her.

[Vargas] [laughter] Yes.

[Power] Mr. President, I have two questions on the economy and another on politics. You mentioned the importance of foreign investment. Investors were here this week. They said—not to me directly but to my colleagues—that their major concern regarding the economy and Peru in general at present—and perhaps this will please you, because it was not security—is inflation. They said the inflation rate has apparently reached unacceptable levels in developed country terms. I want to know if you and your economic team are working on measures to lower inflation. Do you think it is possible to reach the levels agreed with the IMF?

My second question regarding the economy pertains to the Paris Club. Without detracting from the fact that the negotiations obtained exceptional terms for Peru, the burden of payments is still nigh. Some economists have pointed out that if the economy fails to grow, the country will not have resources to make payments. Given that negotiations with the banks are pending, I want you to comment on this concern of the economists. The other question pertains to Mr. Montesinos, to Dr. Montesinos. The Congress....

[Fujimori, interrupting] This is the first time I have heard Dr. Montesinos....

[Vargas, interrupting] It is Captain...

[Power, interrupting] I think he is an attorney, right?

[Vargas] He is Captain Montesinos.

[Power] We have Dr. Dennis Vargas here. [laughter]

[Fujimori] A former sergeant, just in case.

[Vargas] Who is a sergeant? [laughter]

[Power] In your conversation with our Latin American colleagues I think you voiced your confidence, but you did not answer Dennis Vargas' question about your willingness to ask Montesinos to resign. I understand at the Congress an opposition member presented a bill to allow the Congress to somehow supervise the intelligence service. My country has a commission that operates behind closed doors. Top CIA officials must, however, provide information....

[Vargas, interrupting] Mary, it would be good for the public to know what country you refer to.

[Power] The United States.

[Vargas] Very good, that is important. Mr. President, what do you have to say?

[Fujimori] As for inflation, a rate between 4 and 4.5 percent does not please us. We must reduce it gradually. I do not think we have reached a limit. There are still elements that need to be adjusted. Not all structural

reforms have been completed. For example, the financial system—private as well as state-owned—is not performing optimally. The high interests of the financial system are constant and permanent promoters of inflation. Any process is burdened by high interest rates.

The 27 percent interest rate agreed with the IMF will obviously not be achieved. We must be realistic about this. I take a look at the figures and make estimates and realize we will not be able to achieve that within the year. From the very beginning I quoted 36 percent. Recall the differences over this [laughs] but I am not convinced about the 27 percent rate either. I estimate, however, the rate will be from 40 to 50 percent. This would be a realistic figure. We will try to keep it as low as possible. It is a realistic figure amid the current situation.

Perhaps we will manage to reduce inflation once the entire system....[pauses] once the entire structure is reformed. There are, however, many distortions in the market. We inherited an artificial economy [manejos de una economica artificial]. There are economic agents that have failed to realize we are now in an open market economy. Regarding the Paris Club, I want to insist that we have achieved truly exceptional and special measures. For example, something that has not been mentioned is that Peru was granted the right to renegotiate in 1996, it no longer has to do so every year. It will renegotiate in 1996 and has also been given the right to discuss the debt's stock [former word in English]. This is a very special clause that, I believe, has only been given to Argentina.

I always want to make the following comment to the public. Several economists talk about debt forgiveness. I would like to tell the public to be attentive when someone talks about economic matters to ensure they mention figures. When someone talks about debt forgiveness, the amount of millions of dollars should be mentioned. If not, the statements are worthless and demagogic.

It is always important to mention figures when talking about economics. If not, it leads to deception. For example, if we want to ask France for debt forgiveness, or with any of the developed countries, we have to ask ourselves: How much of the debt will be forgiven? We have a considerable debt with France. It amounts to approximately $1.1 billion. Out of this amount, perhaps, $100 million could be forgiven; not more than that. The rest, $1 billion, are commercial debts.

Incidentally, we owe $1 billion because we bought Mirage planes, which increased our debt to $1 billion. You can figure out the interest on this debt yourselves. This is how we correctly get to the amount that could be forgiven. In reality, if we follow this procedure, the amount is minimal....

[Vargas, interrupting] Mr. President, have you considered the possibility of requesting debt forgiveness through bilateral talks with members of the [words indistinct]?

[Fujimori] Of course, and we have achieved it with some countries such as Holland and Switzerland. It is, however, a minimal amount. What I want to do is get people to discard the fallacy that our debt will be easily forgiven. Not even the poorest country in the world has gotten it so far. The people have to see this clearly.

As for your last question about asking Dr. Montesinos for his resignation, I tell you that as president of the Republic, a person with a military character, and supreme commander, I do not ask for resignations, I order them. There is a big difference between the two. I, however, will not order his resignation or separation because actions of inefficiency, disloyalty, etc. have not been established. All the intelligence service officials and personnel are acting efficiently to fight and apprehend terrorists. Why should we question them? I repeat, I take actions after I have personally evaluated a situation. Has the intelligence service acted and greatly contributed to the counterterrorist struggle? The answer can only be yes or no and the answer is yes. We have witnessed all the arrests the intelligence service has made in coordination with the Dincote, the National Police, the Army, the Navy, and the Air Force. Thus, there is efficiency. Why are they being questioned? Is it because there are other interests? There are methods applied in other countries, such as the supervision of intelligence services. For example, there are countries where the Congress of the Republic can interfere with and even receive information from the intelligence service.

I would deny that; I should say I will reject that. As you heard, I will flatly reject Congress interfering in the intelligence service. I wonder how many leaks would take place; not only leaks of information that should be handled with secrecy, but information that could reach terrorist leaders. Thus, I reject that flatly. That is within my scope of powers. I think this is important.

Dear compatriots, we must not forget we must defeat terrorism. Perhaps some are not convinced the MRTA will be defeated this year. The MRTA will be defeated. We only need to lay our hands on two quote chieftains unquote. We need only capture Rincon Rincon and Serpa Cartolini. We already have Garcia, who is repentant. The MRTA would be destroyed if we captured those two individuals. This is a notable achievement of the government, Armed Forces, National Police, and the entire country. The MRTA will be reduced to a group of criminals.

[Vargas] Mr. President, talking about those who are repentant. EL PERUANO on 8 May published the Repentance Law for Terrorism Cases. This law states even criminals who have received sentences may take advantage of this law. I would like you to clarify why they may enjoy this benefit.

[Fujimori] Thank you, I will answer your question, but I want to clarify my promises to and commitments with the Peruvian people. The MRTA will be eradicated; they will be eliminated, this is a good term. Shining Path will

be completely eliminated in 1995. I think few people doubt these goals now. We are making progress thanks to the extraordinary efforts of the Armed Forces and the National Police, to the efforts of the SIN, and to the cooperation of the population. This is a concrete achievement. The rest is actually anecdotal news that by no means should cover up the main fact: Peru is defeating terrorism after 11 years of passivity, of inaction, of irresponsible behavior on the part of all for allowing terrorism to thrive and gain ground as it had.

This is why I feel outraged and surprised by this campaign and by all sorts of other campaigns. For example.-...[pauses] pardon me [laughs] for taking up so much time. I understand freedom of expression is respected fully here. You enjoy freedom of the press and I enjoy freedom of expression.

[Vargas] You can take a week of the international day of freedom of expression. [laughter]

[Fujimori] There is talk now of the displaced. There seems to be a well organized national and international campaign regarding the displaced. Let us, however, reflect on this. Why is there talk of the displaced now? Why is there talk of the possibility of relocating them in their hometowns? Because the country is defeating terrorism. That is the concrete fact we must stress; we must not stress the poverty and suffering of the displaced. That is not a product of this government, but of two previous governments and the military government, which allowed terrorism to gain ground. The displaced are the ones who are suffering. Their suffering is the responsibility of the governments of Gen. Velasco, Gen. Morales Bermudez, and all their ministers, and of the governments of Mr. Belaunde Terry and Mr. Alan Garcia, because of their counterterrorist policy and their government development policies that neglected the rural areas. We now hear talk about refugees. There is talk that refugees will be relocated in their hometowns. Why? Because this government, with the support of the people and the Armed Forces, has achieved peace. I suspect that behind all of this....[pauses] Pardon me for saying this, friends, but one must always analyze what lies behind all these things. Is there money from international organizations and some nongovernmental organizations involved? Since human rights are no longer their business, will they now be getting into the business of refugees? Pardon me for speaking so frankly.

I am supporting those communities, and I—the president—am going everywhere, even high risk places. I will continue on this path, but certainly much remains to be done. This is an endeavor that is yielding results. The country will be in peace. It will be one of the star countries of Latin America.

Now, let me get to your question, Mr. Vargas. I work day, night, and in the early morning hours. I have personally looked into this matter of the repentance law and its provisions. Several ministers and I had planned to get it out this week. You know why? I have talked with top Dincote officers. They know terrorists, because they interrogate them and talk to them. These officers know who have repented. They provide me with information. They know what information the repentant terrorists provide and about the concerns of these people. The terrorist would say: I can provide you with all the information, Mr. commander or colonel. There is a repentance law, but provisions do not exist. It does not provide me with security. What security can I have, etc.

We have issued the provisions in an urgent manner and extended it to cover convicts held at the Castro Castro Prison. Some top command leaders—I have the names in my office—are providing highly valuable information. We must protect them and continue gathering information. I think we have made great strides in this repentance program. The results will be spectacular as they are now. Now, now....

[Vargas, interrupting] They do catch our attention.

[Fujimori] Yes, because we have several cases that are truly important. Inmates held at the Castro Castro Prison and Puno Prison, and in others too, are providing information. Nobody knows who is there, but we do have....

[Lombardi, interrupting] Convicts are ready to cooperate.

[Fujimori] They are ready to cooperate, and we are talking about top command leaders. This is an extraordinary thing. They were members of the top political command.

[Lombardi] You said we have an emergency and that everybody in the country must help to overcome it; you have mentioned businessmen, workers, men in uniform, teachers, and nurses. Despite the emergency, you have noticed optimism in your visit to the SNI, as well as in your visits to shantytowns and remote villages. I think all of that is true, and some of the optimism and capacity to contribute to this effort is related to the feeling that now state funds are being better utilized for the truly important or necessary projects. One may detect, however, a populist temptation in this matter of handing out food to be purchased in the mountain range through channels that are not too clear. There is no institution in charge of handing out food that can, therefore, be overseen by the media or the Congress. My question is: How long will this emergency last? How long will we endure the transition period you talk about? How long will we have to continue to sacrifice? Can you, with the same surety with which you say Shining Path will be totally defeated by 1995, give us a date in which we will overcome the economic recession and the state of emergency? As you know, optimism can wither.

[Fujimori] Although I like to give figures and deadlines, it is difficult to do so in this case. I can say, however, that an investment, such as the one we require, yields results after a few months of work. An investment in the mining

sector, in two years. An investment in fisheries, six months. In industry—depending on how much has been invested—in a year.

It takes time for an investment to reactive the economy and for its beneficial effects to reach the most needy classes. That is why the period of transition, which I believe is indispensable, should be carried out more diligently.

Look, I have taken this campaign personally and am managing several aspects directly. I overlook the construction of schools because we were not advancing in this area and I had to take the reins in my hand. Well, this is also a manifestation [laughs] of the truly presidential character of the Peruvian Government.

Work is already advancing. I personally have placed a special emphasis on supporting Andean agriculture and agriculture in general. Also, I am directly involved in getting food to the population. I believe help has to reach the people directly from the corresponding upper levels.

The period of emergency and sacrifice will be reduced when we are able to manage the situation because there is going to be an effective injection of capital into areas that require it and the action will also alleviate the situation in other sectors. The objective is to lead the economy and direct our resources to the sectors that are suffering the most during this emergency period.

I want to state that the intent behind those actions are not populist. As, however, everybody has highlighted the need to strengthen the social support program, is it not better to do this from the presidential level? We manage it directly and have appointed a purchasing commission in a public manner—so that everybody can see—to handle that activity. We have already bought 2,000 tons of rice in Camana. The price of rice was dropping to levels below the production cost. We bought 2,000 tons and are going to buy 2,000 tons in San Martin also. We have already bought 2,000 tons. Those mechanisms will allow us to alleviate the emergency situation.

[Lombardi] Perhaps, the risk is less in the purchasing process than in the destination of the purchased rice and potatoes.

[Fujimori] Yes. To counter this aspect, we are working with several institutions. The logistics are managed by the Armed Forces, as they are the ones who know the communities that require food. I hope that with the support of the Church and community leaders....

[Vargas, interrupting] Let us conclude the program with two topics I deem to be very important. For that purpose, I ask you to be objective, as is your custom. One has to do with the topic of journalist Danilo Quijano, a colleague and writer for LA REPUBLICA newspaper, has been convicted. He is in jail, contrary to even your view that he should be released. I do not know why, but you said that he should be released. That has encouraged the media to demand the release of Quijano and other colleagues like Gisela Gutarra, and others we could mention. I would like to hear your viewpoint regarding the autonomy of the Judicial Branch. Did the Judicial Branch act properly in Quijano's case? Has the time come for the Judicial Branch to recover its true autonomy, or must it still continue to endure questions and shoulder the burden for what happened to it? Can you lift the burden you imposed on it when you said it must continue its process of regaining its moral standards and restructuring? Do you think some progress has been made? To conclude, let us discuss the topic of the Congress. How do you regard the CCD, from your standpoint as president? How do you assess it?

[Fujimori] The actions by all state branches must be under constant supervision in terms of their moral actions. I think the process of restoring its moral standards must continue and remain, I repeat, being supervised. This is all the more so regarding the Judicial Branch, because this process to restructure it and reorganize it and to restore its moral standards has not been completed. I am saying that in the Supreme Court and probably in the Higher Court, but to a lesser degree because its staff is larger, that there are people acting in an ethical manner and in all conscience. We cannot now say the Supreme Court, to be specific, is conducting in an immoral manner.

As for the situation of the journalists, as well as of many others, since I am not only referring to journalists....

[Vargas, interrupting] I mentioned it as an example.

[Fujimori] I think injustices have been made. I have publicly stated it and I stand by it. I mean the cases of some community leaders. For example, I am following up the case of Centurion, a Fatma [expansion unknown] leader in San Martin. Another leader called Pedro Machuco comes to mind. He is a leader of (Los Olivos Depro) settlement. I want to know exactly why he is being charged and facing a 15-year sentence in jail, etc. There are several other cases. We must take drastic actions against terrorists and criminals. We must also try to make the latter mend their ways, as we are doing in Lurigancho, but we have to be careful to avoid injustices. I think there are cases that fit into that category, and judges and public prosecutors must be very careful to prevent mistakes. These mistakes may stem from a poor assessment of abuses by bad police officers, who level charges in an attempt to extort $5,000. We must correct these cases.

I hope the faceless judges handling the journalists' cases act in all conscience and with justice and equity, and the original sentences are revoked.

[Vargas] Do you adhere to your stance regarding Quijano?

[Fujimori] Yes, in Quijano's case in particular. I reiterate he should be released.

[Lombardi] Would you consider a pardon, Mr. President?

[Fujimori] I have talked to some congressmen about the president's power to grant a pardon. A president, no matter who he is, should not act irresponsibly in granting pardons. I think the pardon should also benefit the indicted, as I proposed in infamous Supreme Decree 007 of 1991. If the president of the Republic were empowered now to pardon the indicted, he would have done so through a decree and journalist Quijano would be free. I do not have this power because the previous Congress abolished Decree 007. I think this is necessary and I also think this would give the feeling....[pauses] not feeling but would achieve a better balance of power, because the president of the Republic would be empowered to intervene to correct an injustice committed by a criminal court, not only by his own decision or initiative but based on evidence provided by the journalists' association or citizens.

I think this mechanism would correct this sort of situation. I feel in a bind regarding the Quijano case and I regret this very much. Other cases, however, such as those of Centurion and Pedro Machuca, are very clear to me.

[Vargas] Finally, is the Congress—in your opinion.... [pauses] is Change 90/New Majority working as you had anticipated?

[Fujimori] Not only Change 90/New Majority, but the entire Congress is consolidating as an institution. It is already shaping up; it is becoming an institution that provides direction and operates within this political system—but with an important, and I think also different approach, from the previous Congress—in an attempt to make positive contributions.

I have heard the statements of several congressmen. Disagreements do exist and I am the first one to promote debates, discussions, and disagreements, but conclusions reached through objective analysis prevail. This is what the Congress is currently doing. I think its conduct and actions are very positive for this new political system we are trying to establish in Peru.

[Vargas] When Mary Power referred to Capt. Montesinos, you talked about a sergeant. Did you refer to anyone in particular?

[Fujimori] No, when Miss Mary Power placed doctor before the name of Dennis Vargas, I jokingly said former sergeant Dennis Vargas.

[Vargas] Not sergeant. I would like to be general. Nothing less. [laughter] I would actually want to be a division general.

[Fujimori] It is not too late Mr. Dennis Vargas. If you manage to win the merits....

[Vargas, interrupting] Did you give a military rank to every Peruvian in your capacity as commander, as supreme chief of the Armed Forces?

[Fujimori] That is also part of a campaign. If someone was a soldier—and I am also a reserve soldier—that person should not be described pejoratively by placing the word former before the word soldier. Quite the contrary. That is what I meant. [laughs]

[Vargas] Mr. President, it was kind of you to come here on the ninth anniversary of our program.

[Fujimori] Congratulations on your ninth anniversary.

Poll Reveals Approval of President, Congress

PA1005180493 Lima Panamericana Television Network Spanish 0200 GMT 10 May 93

[Text] The Apoyo firm has carried out a poll for the "Panorama" program. Here are some of the results:

Asked if they approve or disapprove of President Alberto Fujimori's management, 59 percent of respondents said they approved while 21 percent said they disapproved. Twelve percent expressed no opinion.

Regarding the Democratic Constituent Congress [CCD], 45 percent approved of its work while 29 percent disapproved. A broad 26 percent expressed no opinion.

For his part, CCD President Jaime Yoshiyama received 51 percent approval for his management versus 29 percent disapproval.

Finally, the economic policy leaves much to be desired by the citizenry as 53 percent of those polled said they disapproved of it, and only 35 percent approved.

Correction to Fujimori Interviewed on Robles Case

PA1005183993

The following correction pertains to the item headlined "Fujimori Interviewed on Robles Case, Other Issues," published in the 10 May Latin America Daily Report on pages 43-46:

Column one, first paragraph, make subslug read: ....[Interview with President Alberto Fujimori by unidentified reporter at the Presidential Palace in Lima on the "Counterpoint" program—live].... (correcting program name)

Page 44, Column one, fourth complete paragraph, only sentence, make read: ...appointed by the president of the Republic.... (supplying dropped word)

Page 45, column two, sixth complete paragraph, sentence two, make read: a superintendent named [Superintendent of Banks and Insurance Luis] Cortavarria. He would have....(correcting editorial note)

Page 46, column one, fourth paragraph, last sentence, make read: ...27 percent and 36 percent.... (correcting figure)

Venezuela

Explosive Detonated at Presidential Aide's Office

PA1005145093 Hamburg DPA in Spanish 1351 GMT 10 May 93

[Text] Caracas, 10 May (DPA)—Caracas radio stations reported that an explosive device was detonated on the morning of 10 May in the office of Cecilia Matos, a close aide of President Carlos Andres Perez.

According to Caracas Radio, the explosion occurred at 0800 [1200 GMT] on the 10th floor of a building in Caracas' central-eastern zone and slightly damaged Matos' office. She was not in her office at the time of the explosion. The fire department carried out an operation involving 12 vehicles and 60 firefighters.

According to the radio report, a commission of the Directorate of Intelligence and Prevention Services (DISIP) has begun to investigate the type of explosive, which could be a homemade device known in Venezuela as a pipe bomb.

Radio YVKE Mundial reported that in a telephone call to its studios, the self-styled Bolivarian Liberation Forces (FBL) claimed responsibility for the action. In 1992 the FBL staged an attack on Antonio Rios, president of the Confederation of Venezuela Workers, who is currently in prison on charges of corruption.

The local media have reported accusations against Matos for alleged influence peddling, because of her close ties to President Perez.

Meanwhile, political analyst Jose Vicente Rangel said on 10 May that the government is involved in two recent attacks on journalists Jurate Rosales, director of ZETA magazine, and Hindu Anderi, a reporter of the newspaper EL GLOBO.

In both cases, the journalists charged at the Prosecutor General's Office that the attacks sought to intimidate them because of their work.

Bomb Explosion Causes Property Damage

PA1005174193 Caracas Radio Caracas Television Network in Spanish 1600 GMT 10 May 93

[Text] A bomb exploded on the morning of 10 May at the Banhoriente Tower located on Casanova Avenue, causing considerable property damage to several offices on the 10th floor. Orlando Martinez has more details on the incident.

[Begin recording] [Orlando Martinez] The bomb exploded at approximately 0800 [1200 GMT] on 10 May on the 10th floor of the Banhoriente Tower. The damage caused by the explosion has not yet been determined. The incident occurred in the office where Fundafase [expansion unknown], an institution dedicated to helping Indians, operates. The cameras show the damage caused by the explosion in this office, as well as in the office of a group of lawyers of the Consolidados Compania Anonima construction firm.

Twelve units of the Federal District Fire Department arrived at the scene and proceeded to evacuate approximately 300 persons who were in various offices at the time of the explosion. Members of the Directorate of Intelligence and Prevention Services [Disip] and the Judicial Technical Police [PTJ] also arrived to inspect the area to determine the type of bomb used.

[Disip official Isaias Martinez] We cannot give any information now.

[Orlando Martinez] We understand the incident occurred at an office managed by someone by the name of Cecilia Matos.

[Alberto Ruiz, guard] That is correct.

[Orlando Martinez] What kind of activities are carried out in that office?

[Ruiz] Apparently it is an institution that helps Indians, as they are frequently seen there, as well as government officials.

[Orlando Martinez] A large number of persons were evacuated on the morning of 10 May from the Banhoriente Tower on Casanova Avenue following the bomb explosion.

[Cesar Lemus, evacuated employee] We were asked to evacuate the building by the emergency stairs because a bomb had exploded.

[Orlando Martinez] After inspecting the site, the Disip will deliver a report to the PTJ, which is the organization in charge of conducting the investigations to determine who placed the bomb. [end recording]

Defense Minister Says Army To Respect Court Ruling

PA1005165493 Caracas Radio Caracas Television Network in Spanish 1601 GMT 10 May 93

[Report by Emira Sanabria]

[Text] Defense Minister Division General Ivan Dario Jimenez Sanchez, accompanied by high-ranking military command members, gave a news conference on 9 May. He ratified that the Venezuelan Armed Forces will accept the Supreme Court of Justice [CSJ] ruling on the possible trial of President Carlos Andres Perez. Jimenez, thus, denied media reports that there were disagreements in the Armed Forces on the issue.

[Begin Jimenez recording] We will respect any decision made by the CSJ and will also respect the decisions of the

Congress and of those who have authority on the matter. As you have stated, the Constitution establishes the procedures to be followed and we are determined to ensure compliance with the Constitution. I want to stress that, as never before, the Armed Forces Command is united in a coherent, serious, and responsible manner. We are well aware of the historic moment we are living in and our responsibilities to the people and Venezuela. At no time have there been differences with Army Commander General Pedro Rangel or any other member of the high military command. We work for what we believe to be our responsibility. We work to defend and protect Venezuela and its institutions and not in an egoist manner. We guarantee that there will be no coup d'etat in this country. There may be attempts, disorders, or problems but the Armed Forces, united as it has always been, guarantees that there will be no coup d'etat. [end recording]

In conclusion, Gen. Jimenez Sanchez urged the people to wait for the CSJ decision so events will transpire peacefully and with confidence.

AD Says Court's Decision Not To Affect Elections

PA1105125493 Caracas Venezolana de Television Network in Spanish 2350 GMT 10 May 93

[Text] Luis Emilio Rondon, assistant secretary general of Democratic Action [AD], the ruling party, said that the decision of the Supreme Court of Justice regarding the 250 million bolivar secret fund will not affect the upcoming electoral process.

Expectations were generated among the media regarding the possible issues to be discussed at the AD National Committee meeting. Nevertheless, at the end of the meeting, assistant secretary Rondon said that the only issue that was discussed was the position the AD party will adopt at the Congress regarding the electoral basic law; specifically the integration of the Supreme Electoral Board. Nevertheless, the media asked Rondon about the secret fund issue and the anticipated decision by the Supreme Court. In this regard, Rondon said no matter what the outcome, this will not affect the AD Party. Rondon added the decision must be respected. This is what Rondon said:

[Begin Rondon recording] We believe it is correct to respect the nation's democratic institutions. We believe it is important to support and to guarantee the decisions of the legitimately organized institutions to avoid violence that would not be beneficial at the end of a five-year administration. There are barely six months left before the national elections in which we will chose, in a democratic fashion at the polls, President Carlos Andres Perez' successor. Therefore, we are peacefully waiting for the harmonic, suitable, coherent, and peaceful results of the national election campaign. [end recording]

AD Senator David Morales Bello was also consulted regarding the issue. Morales Bello said that the president's resignation has never been brought up for discussion. Morales Bello argued that the justices are studying the issue. What is left is to wait for the outcome without creating an environment of anxiety. As far as the direct vote issue is concerned, 50 percent of the AD are in favor and 50 percent are against, within the reform process of the basic electoral law currently being debated in Congress. In any event, Rondon said that the AD National Committee will continue analyzing the issue in case a change occurs.

Copei National Committee Supports Constitutional Order

PA1105130893 Caracas Venezolana de Television Network in Spanish 2350 GMT 10 May 93

[Text] The Social Christian Party, Copei, National Committee maintains its position regarding the existence of the current constitutional regime and condemns the promotion of acts of violence. A meeting was held on 10 May to discuss the country's situation and Copei's support of the Supreme Court's upcoming decision.

In a meeting which lasted over five hours with Oswaldo Alvarez Paz, Copei presidential candidate, the Copei National Committee appealed for calm and offered once more its support of the Supreme Court's decision. The meeting also served to reiterate support of the existing constitutional order. The Copei National Committee established that it is Congress' turn to speak after the Supreme Court's decision.

[Begin Jose Curiel, Copei secretary general, recording] We reiterated that the decision rests with the Supreme Court. We feel the court's decision must be complied with and respected. Copei wili vote at the National Congress, specifically in the Senate, based on the Supreme Court's decision. [end recording]

Jose Curiel also said that the statement by the national Armed Forces that it will support the decision of the Supreme Court lends some tranquillity to the country, because it means that the Armed Forces will fulfill the decision by the maximum court of justice.

French, Venezuelan Officials Review Relations, Trade

PA0805132993 Caracas Venezolana de Television Network in Spanish 2350 GMT 7 May 93

[Report by Cecilia Pachano]

[Text] Venezuela is bound to become France's main trade ally in Latin America, it was stated by French Foreign Minister [title as received] Lucette Michaux Chevry during the inauguration of the France 2000 exhibition, an event that was attended by President Carlos Andres Perez.

On this occasion the French foreign minister recognized that the important changes implemented in our economy in recent years have turned our country into a center of particular interest within Latin America for her nation.

[Begin Chevry recording] Venezuela is certainly the Latin American nation closest to France due to its proximity to three French territories—French Guiana, Martinique, and Guadeloupe. Therefore, Venezuela is a privileged associate for us. [end recording]

The different stands in the exhibition include the most relevant examples of French technology—above all in the energy, communications, and ecology areas.

[Begin France 2000 Director Francois Floutier] This type of exhibition allows French enterprises to increase their relations with Venezuelan enterprises, and to develop cooperation and bilateral relations. [end recording]

Development Minister Frank de Armas said France 2000 represents evidence that the changes implemented in our economy strengthened the trust that developed countries have in Venezuela's potential as an investment and trade center.

[Begin De Armas recording] We are about to sign an investment promotion and protection agreement, a dual tax agreement, and a subsidy agreement. Venezuela has joined the Paris Agreement on copyright, patents, and brands; and we think the trade and technology exchange between Venezuela and France will increase. [end recording]

Within the actions to strengthen trade relations between France and Venezuela, the Foreign Trade Institute has plans to open an exhibition on Venezuela in Paris.

Correction to Ochoa on Provisional President

PA1005161693

The following correction pertains to the item headlined "Minister Ochoa on Provisional President," published in the 10 May Latin America Daily Report, page 50:

Column two, first paragraph, only sentence, make read: ...Fernando Ochoa Antich becoming provisional president to replace the incumbent. [new graf]

In view of....(rewording for clarity)

Column two, second paragraph, only sentence, make read: ...alleged Ochoa Antich maneuvers, both internally and abroad, to become acting president of the Republic, Ochoa Antich publicly reproved Cobas for what he described as the lawyer's attempt to lead the country into complete chaos. [new graf]

[Begin Ochoa Antich recording].... (rewording for clarity)

Column two, fifth paragraph, second to last sentence, make read: ...the current one. Further, ever since names of people who might be appointed by the Congress to replace the president began to be bandied about, I have said.... (rewording for clarity)